S. HRG. 99-770

EXTEND PROGRAMS UNDER THE NATIVE AMERICAN PROGRAMS ACT

HEARING

BEFORE THE

SELECT COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

NINETY-NINTH CONGRESS

SECOND SESSION

ON

S. 1991

TO EXTEND PROGRAMS UNDER THE NATIVE AMERICAN PROGRAMS ACT OF 1974 THROUGH FISCAL YEAR 1990

APRIL 22, 1986
WASHINGTON, DC

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EXTEND PROGRAMS UNDER THE NATIVE AMERICAN PROGRAMS ACT

TUESDAY, APRIL 22, 1986

U.S. SENATE,
SELECT COMMITTEE ON INDIAN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10 a.m., in room 385, Russell Senate Office Building, Hon. Slade Gorton (acting chairman of the committee) presiding.

Present: Senator Gorton.

Senator GORTON. Today the committee will receive testimony on S. 1991, a bill to extend programs under the Native American Programs Act of 1974 through the year 1990. S. 1991 would assure continuation of the Administration of Native Americans support for off-reservation groups, including rural, urban, Native Alaska, and native Hawaiian organizations.

I understand that yesterday the House approved H.R. 3247—bill S. 1991. The witnesses testifying today may wish to comment on that bill.

[The text of S. 1991 follows:]

II

99TH CONGRESS
1ST SESSION

S. 1991

To extend programs under the Native American Programs Act of 1974 through fiscal year 1990.

IN THE SENATE OF THE UNITED STATES

DECEMBER 19 (legislative day, DECEMBER 16), 1985

Mr. ANDREWS (for himself, Mr. MELCHER, Mr. ABDNOR, Mr. BURDICK, Mr. DECONCINI, Mr. INOUYE, Mr. MURKOWSKI, and Mr. GOLDWATER) introduced the following bill; which was read twice and referred to the Select Committee on Indian Affairs

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A BILL

To extend programs under the Native American Programs Act of 1974 through fiscal year 1990.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 814(a)) of the Native American Programs Act of 1974 (42 U.S.C. 2992d(a) is amended by striking out "1986" and inserting in lieu thereof "1990".

Senator GORTON. Our first witness this morning is Mr. William L. Engles, Commissioner of Administration for Native Americans of the Department of Health and Human Services. Mr. Engles, you are welcome and we are delighted to hear from you.

STATEMENT OF WILLIAM L. ENGLES, COMMISSIONER, ADMINISTRATION FOR NATIVE AMERICANS, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. ENGLES. Thank you, Senator Gorton. Mr. Chairman, thank you for the opportunity to appear before you today. If you don't have any objections, Mr. Chairman, I would like to just read some excerpts from my testimony and submit the rest of it for the record.

Senator GORTON. Not only do I have no objection, I think that will be very helpful to us. Your entire written statement will be entered into the record as a whole.

Mr. ENGLES. Thank you, sir. Thank you for the opportunity to present an overview of the work of the Administration for Native Americans and to comment on our proposal to extend the Native American Programs Act.

The Native American Programs Act promotes self-sufficiency for American Indians, Alaska Natives, and native Hawaiians by encouraging local strategies in social and economic development. We consider social and economic underdevelopment to be the paramount obstacle to the self-sufficiency of the native American community and of native American families.

Social and economic underdevelopment contributes to high unemployment, high school dropout rates, poor health, and other problems which affect native Americans to a greater degree than almost any other population group. The lack of a strong diversified economic base has made native American communities especially dependent on federally designed, federally funded, and federally operated programs.

I would like to address the administration's proposal to extend the Native American Programs Act. The reauthorization basically extends the current law. In addition to the extension, the administration is requesting section 803 of the act be amended to allow for-profit private organizations established by native Americans to compete for financial assistance grants under section 803 of the act. Currently only public and private nonprofit organizations are allowed to participate.

Many native American communities are reaching the stage in their economic and social development at which they can create profitmaking entities to carry out developmental activities. These for-profit arms of the community generate jobs for native Americans, they are a source of revenue for the community, and they can attract needed capital from outside the community more readily than can a tribally managed business.

Removal of the nonprofit restriction would support the Department's initiative to remove legislative and regulatory barriers to grants to for-profit organizations. This would also help the program achieve its objectives by increasing the number of native American organizations eligible to particiate in our program.

Reauthorization of the existing law will enable the Administration for Native American's strategy for social and economic development to continue to make measurable impacts on self-sufficiency for native Americans.

ANA's funding policy is to assist Indian tribes and native American organizations to plan and implement their own long-term strategies for social and economic development. This funding approach moves the focus from increasing dependency on social services to increasing the productivity of both individuals and communities.

Panels of outside individuals review and rate all applications for financial assistance funds according to published criteria, and they seek to identify those proposals most likely to produce permanent beneficial change for native American communities. Applicants must state specific measurable goals based on the developmental needs of the community. After funding, the grantees must report what they have accomplished based on the goals that they themselves have set.

Tribes and organizations are finding that social and economic development strategies provide the means through which lasting change may take place. In the past 3 years, the policy has benefited all of the groups that Administration for Native Americans was established to serve. For example, our experience has shown that urban organizations compete equally efficiently with other native American groups for our dollars. In fiscal year 1985 we funded 44 percent of all urban organizations applying for assistance. This is equal to the rate for all other native American tribes and groups applying for assistance.

Overall program accomplishments in fiscal year 1985 were significant and they include the creation of 12,095 jobs for native Americans resulting from our projects; the initiation or expansion of 373 Indian, Alaska Native, and native Hawaiian businesses; the strengthening of the tribal governmental functions of 58 tribes through the enactment of codes and management improvements; the construction or renovation of 67 housing units on reservations and in urban areas.

Social and economic development strategies grants aimed at social development often contribute to the tribe's economic development as well. By establishing day care centers and service networks that help the elderly, alcohol abusers and drug abusers, these grants provide needed social services as well as jobs for tribal members training in social work. SEDS grants also helped tribes and organizations establish more than 100 linkages with local governments for the delivery of social services.

Finally I would like to address briefly H.R. 3247, the proposed ANA authorization and amendments which you said just passed the House yesterday. We oppose H.R. 3247 because of amendments made in the House committee which would be burdensome and potentially destructive, we believe, to the ANA Program.

One of these amendments requires the Commissioner, ANA, to provide a detailed justification to the Congress for every single grant award made by ANA. Aside from the fact that imposing this requirement on an executive branch official is without precedent, we are deeply concerned about being required to discuss individual grant applicant strengths and weaknesses in public documents. Not

only will rankings of grant applications in this way become public knowledge, but in any case in which the Commissioner decides not to follow the panel rankings, he will be required to discuss in materials sent to the Congress the weaknesses and the problems of individual tribal organizations.

We believe that these requirements will have a chilling effect on the ANA competitive grant process, making new and less experienced organizations, as well as many more established organizations, hesitant to apply or justifiably unhappy at having what has been up to now protected information distributed publicly.

The second amendment which concerns us would require that in addition to regulations and grantee announcements, which are presently published in the Federal Register, and I'm quoting now from the amendment, "all changes in general statements of policy, application requirements or priorities, other grantee or program requirements, as well as any changes in ANA organization, procedure, or practice" would have to be published in the Federal Register within a 30-day comment period.

Publication of these additional items is far more burdensome than for any other HHS program and would create significant obstacles in the way of managing this program and responding to native American concerns.

This amendment may have been proposed with the positive aim of strengthening native American organizations' involvement in ANA Program policy and decisionmaking. Involvement of our constituency is something that I and Commissioners before me have held as a top priority. Unfortunately, the House amendment would put the ANA Program in a straitjacket and make it extremely difficult to respond flexibly and quickly to native American organization concerns.

One thing we consistently hear from the organizations that we serve is that a major reason for this program's effectiveness is its flexibility, its responsiveness to individual tribal and native American organization needs. And adoption of these amendments, we believe, will be a significant step in destroying that flexibility.

I appreciate the opportunity to appear before the committee today. I will be happy to answer any questions you may have at this time, Senator.

[Prepared statement of Mr. Engles appears in the appendix.]

Senator GORTON. Thank you, Mr. Engles. Over the course of the last 2 or 3 years, how many proposals does ANA receive annually?

Mr. ENGLES. We receive approximately between 400 and 500 a year, sir.

Senator GORTON. And what would the total dollar value request——

Mr. ENGLES. In the last several years we have been appropriated $27.3 million for our financial assistance grants.

Senator GORTON. Well, if all of the grants, if you could, out of all the grants how many——

Mr. ENGLES. Oh, that would amount to approximately $90 million, Senator.

Senator GORTON. So, you're able to give grants on the basis of about $1 for every $4 requested.

Mr. ENGLES. $1 to $3 or $4; yes, sir.

Senator GORTON. Of that 400 to 500 a year, how many are actually granted?

Mr. ENGLES. About 45 percent of them, sir. So that would be a little bit more than 200 grants, 225, around in that neighborhood.

Senator GORTON. So, I take it a number of them are accepted, but are accepted in amounts smaller than were originally requested by the——

Mr. ENGLES. Yes, sir; we have three things that we can do when we receive an application. We can fund it fully, we can fund a portion of it, or we can turn it down for funding. And in many cases we fund portions of the grant and not others.

Senator GORTON. Now, what will the effect be on the answers to your first two questions if we were to include for-profit organizations? Would you expect that to substantially increase the number of grant applications and the amount of money—of grant applications?

Mr. ENGLES. It could have a significant difference in that it would open up all the for-profit native corporations in the State of Alaska to be eligible as grantees. At the present time, only the nonprofit corporations in the State of Alaska can apply to us.

I think that in the lower 48 there are not that many tribes which have—or other urban organizations, any other native organizations which——

Senator GORTON. I guess my question is, If you're getting 400 or 500 grant applications a year now for roughly $90 million a year, what would you expect this amendment to increase that to? Another 100 applications?

Mr. ENGLES. Oh, no, sir, I don't think so. I think it would probably be in the neighborhood of 25 to 30, maybe 50 applications.

Senator GORTON. So, it would be an increase, but a rather modest increase.

Mr. ENGLES. I believe that to be the case, Senator.

Senator GORTON. So, it would increase the competitive nature of those grant applications, but only marginally?

Mr. ENGLES. We don't know how—to what degree of sophistication the new grant application will have. But yes, it would make the dollars more competitive, yes, sir.

Senator GORTON. I think that we might expect applications from for-profit organizations to be fairly sophisticated.

Mr. ENGLES. Well, Senator, in the time that I've been Commissioner, I've always said that I hope that no one fails or does not receive a fundable grant, or be able to be funded from Administration for Native Americans because they don't understand the rules. We try very hard not to be bamboozled by slick paper and nice computer-generated graphics. We try to look more to the content and what the grantee, the applicant, has in mind for itself.

Senator GORTON. What's your grants—or of the dollars involved each year now go to off-reservation programs?

Mr. ENGLES. About—if I may answer your question this way, Senator, about 50 percent of our grant money goes to federally recognized tribes. About 16 percent of it goes to urban Indian centers, with the remainder going to native Hawaiians, consortia of Indian tribes, nonfederally recognized tribes, and nonprofit corporations serving Indians.

Senator GORTON. My understanding is about half of the native American population resides off reservation. Is there an institutionalized reason that their share of these grants is much less than their share the Indian population?

Mr. ENGLES. I don't think that there's an institutionalized reason why they receive 16 percent and federally recognized tribes receive 50 percent other than the fact that there are some 250 to 270 federally recognized tribes—I think that's a ballpark figure—and there are probably somewhere in the neighborhood of perhaps maybe 50, perhaps as many as 75 urban Indian organizations in the United States.

Senator GORTON. So far, far fewer than half of your grant applications come from——

Mr. ENGLES. Yes, sir; that's correct. And, of course, I don't think we can make the assumption that because half of the native American population lives off reservation that that half of the native American population all goes to urban Indian centers to seek help.

Senator GORTON. Fine, that's a good point. What share of ANA dollars goes to national Indian organizations as compared with that share which goes to local communities?

Mr. ENGLES. Senator, I don't have a percentage figure that I can give you on that, but it's a very low percentage. In the grant application criteria, we say that we want to fund local community-based organizations and local community-based projects. So, while we do make grants to some national organizations, such as CERT, Council for Tribal Employment Rights, and others, it is a very small percentage of our total grant numbers. I can provide you with that information on the record, sir. Grants were made to the Council of Energy Resource Tribes for $650,000, to the Native American Rights Fund for $838,045, and to the Council of Tribal Employment Rights for $689,903. Although these are national organizations, I want to clarify that these funds were used to provide services specifically requested by native American groups at the local level to meet their community needs.

In addition, Americans for Indian Opportunity received $75,000, and the National Tribal Chairmen's Association received $50,000 to provide services beneficial to native American groups generally.

Senator GORTON. We would appreciate that. Are the provisions of the Buy Indian Act applicable to contracts let by the Administration for Native Americans?

Mr. ENGLES. No, sir; they are not.

Senator GORTON. Do you include any conditions or do you grant any weight to applications which, in effect, would abide by the spirit of that act?

Mr. ENGLES. Well, sir, we've made vey few contract awards. Our only contracts are in the area of training and technical assistance contract awards, and some research and development and evaluation contracts. So our total volume of contracts is very small.

However, in 1983, the Comptroller General of the United States issued an opinion in which he said that we could not. We had, prior to that time, prior to 1983, placed Indian preference in our contracting policy. The opinion by the Comptroller General of the United States said that we were incorrect in doing that and we could not do that in future requests for proposal.

Senator GORTON. Mr. Engles, I have a series of questions here which I'm asking on behalf of Senator Murkowski, who is unavoidably detained. He asks, what percentage of the total ANA budget goes to administrative overhead as compared to the share spent for direct grants?

Mr. ENGLES. One hundred percent of our budget goes to direct grants, sir. Our administrative overhead costs are absorbed by the Office of the Assistant Secretary for Human Development Services and do not appear in our appropriation.

Senator GORTON. So if $27 million is appropriated, $27 million goes to the grants?

Mr. ENGLES. Yes, sir.

Senator GORTON. Would you state for the record what ANA's priorities are with regard to Alaska Natives?

Mr. ENGLES. Sir, at the present time I am preparing for the Assistant Secretary for Human Development Services a policy paper on what we would like to do in Alaska. That policy paper is far from complete at this time. And since we have not taken it to the native people that would be effected by it for their comments and for their consultation, I think it would probably be better if you don't mind that I not discuss it in any great detail what we'll do.

However, we would be happy to share that information with the Congress just as soon as it's complete, and I had intended to schedule meetings with the two Senators and the Congressmen from the State of Alaska to share this information with them as soon as we have it completed.

I will tell you that the State of Alaska and its Alaska Native citizens are of a highest priority in the Administration for Native Americans right now. And we will be working with not only the Alaska congressional delegation, but the State of Alaska and the Department of the Interior to try and make the best use of our dollars in the State of Alaska to help these corporations and them as they approach 1991.

Senator GORTON. And I take it you'll be consulting with representatives of the native corporations before you make final decisions——

Mr. ENGLES. Oh, yes, sir, without hesitation.

Senator GORTON. Will there be specific set-asides for Alaska Natives in the period covered by this reauthorization bill?

Mr. ENGLES. At the present time, Senator, we have set-aside $1.5 million a year for the past 3 years to be spent on grants specifically in the State of Alaska. That 3-year commitment that we made expires with this fiscal year, in 1985. We're in the process of awarding those grants right now and we've received the applications.

We intend to continue a set-aside. I am not sure right now of the dollar amount for Alaska Natives, corporations, and villages in the future, during the period of time this reauthorization bill will be in effect. As it stands now, the applicants in the lower 48 have three chances to apply to us. We have three closing dates. If they fail in the first, they can come back and reapply in the second. If they fail in the second, they can reapply in the third. We only have one closing date for Alaska. At the present time we feel that's unfair to the Alaska grantees, and we're going to take steps to change that so

that they, too, will be able to compete more often than once a year since other applicants can.

And also, we think that by constantly refining unsuccessful applications, the applicant becomes much more able to compete with the entire pool of applicants. Our ultimate goal is to not have a set-aside for the State of Alaska, but to have them in shape to compete successfully with other applicants in the lower 48, just as the native Hawaiians do today.

Senator GORTON. Thank you very much, Mr. Engles. I suspect that the staff and some other members may have additional questions which they will submit to you in writing, to which we would appreciate prompt answers. But for now, I would like to thank you for your appearance here and for your helpful testimony.

Mr. ENGLES. Thank you, Senator.

Senator GORTON. I believe that the members of panel two are not here, so we will now move to panel three, Mr. Frazier and Mr. Diamond. Mr. Diamond, we'll begin with you. I have your written statement and it will be included in the record as if read in full. I would appreciate it if in both cases you could summarize your statements to about 5 minutes, so we will make sure that we get to all of our witnesses.

Mr. DIAMOND. Yes, sir; I'll try as best I can.

STATEMENT OF A. VAN HORN DIAMOND, DIRECTOR OF ECONOMIC DEVELOPMENT, ALU LIKE, HONOLULU, HI

Mr. DIAMOND. For Alu Like, I am pleased and privileged today to affirm as well as convey our aloha to each of you. Likewise, we want to thank you for this opportunity to provide favorable testimony on S. 1991, a bill to extend the programs under the Native American Programs Act of 1974 through the year 1990.

By way of identification, my name is A. Van Horn Piimauna Diamond. I serve Alu Like, Inc. as its director of economic and resource development. I am here today representing Alu Like in these proceedings.

As quickly as I can, the reasons that I would like to offer in part is first from an historical perspective. Written testimony from our chairman and myself identifies that if it were not for the flexibility of funding provided by ANA, we would not have been able in 1976 and then in 1980 to ascertain the Hawaiian communities' needs in terms of their priorities. That set forth the strategy to address the need wherein we manifested some results and required existing institutions to fulfill their responsibilities. When there was a gap, we demonstrated, with support from ANA, how it could be accomplished.

It leads us also to a second point. Up until this year, there were really only two statutes that identified the Native Hawaiian as a native American; namely, this bill, S. 1991 to extend the Native American Programs Act and also CETA, now called the Job Training Partnership Act.

Only since 1985 has there been an inclusion of Hawaiians as native Americans under the Vocational Education Act and then the Library Services and Construction Act. No others exist. There is a statute that identifies native Hawaiians only in terms of re-

sponsibilities for Hawaiian homelands. That was a quantum definition and that statute was passed in 1920.

I call your attention also to the fact that in the other areas of health and education and housing there is no designation of Hawaiian inclusion. Therefore, each statute that identifies Hawaiians as native Americans is a very precious commodity to us.

In the U.S. Department of Labor, even though we are identified under JTPA under their affirmative action provisions, the native Hawaiian is specified as an Asian Pacific Islander and not as a native American.

ANA provides us with tools which enables us to move forward, and we've initiated and taken advantage of that. For example, right now we have a memorandum of understanding between an Alberta firm and Alu Like where we are about to, if everything works out, produce some affordable housing for native Hawaiians within the State of Hawaii. Our thought is that we bring in the contemporary methodology, apply it to Hawaii, and develop a new industry and export for Hawaii.

We have also been able to demonstrate with one of our island centers that we can leverage dollars with the ANA as a source base, which meets identified needs within that community. We have also taken some initiatives relative to assisting a larger community. Molokai, several years ago, had their economy interrupted when Del Monte moved out and closed down its pineapple operation. From a total workforce of about 6,900, now there are only 60 people working. And the majority of the people on that island happen to be native Hawaiian.

We took it upon ourselves, in collaboration with the State, to put together some things and some of those things are now being positioned: a cooling plant for farmers, flake ice facility for fishing, fishpond commercialization and development, and a cottage level deep sea fishing industry. All are part of a strategy which should be implemented simultaneously.

Perhaps the best way of summing up why we believe ANA is important would be by virtue of its said strategy, is that within a score of years, the dominant population in terms of size may very well be the native Hawaiian, again in the State of Hawaii. Therefore, native Hawaiians will be expected to assume their leadership roles.

Presently 29.4 percent of all persons in Hawaii under the age of 18 years is Hawaiian according to the 1980 census. In fact, the native Hawaiian population is the largest single ethnic group in the under 18-years-of-age category. It is noteworthy since the native Hawaiian is only 18.7 percent of the total State population. Our population in the 18-years-and-over category is only 14.4 percent.

Accordingly, the Hawaiian of 1986 and Alu Like's job is to ensure the opportunities for development are available, secured, and accessed by native Hawaiians. The ANA is helping to make this happen for the Hawaiian people and Alu Like. Positioning for and opening up new opportunities is the present emphasis to acquire leadership, experience, and skills.

In the next set of years, the native Hawaiian shall provide and contribute leadership to Hawaii. Clearly, this outcome and how ex-

tensive it can be depends on present resources continuing to nurture and nourish the opportunities to build this human resource, namely the native Hawaiian.

Therefore, we would respectfully request that the native American programs be extended into 1990. Thank you.

Senator GORTON. Thank you, Mr. Diamond.

Mr. Frazier?

STATEMENT OF GREGORY FRAZIER, CHIEF EXECUTIVE, NATIONAL URBAN INDIAN COUNCIL, DENVER, CO

Mr. FRAZIER. Good morning, Senator. As a taxpayer still in the State of Washington, it is good to see that you are keeping on top of Indian affairs. My name is Gregory Frazier, I am a Crow Indian from the State of Montana. I am also a businessman located in Denver, CO. Today I am representing the National Urban Indian Council's chairman and president, Elizabeth Stately.

For brevity's sake, I would like to have our testimony entered into the record. You have our copies and briefly I would like to summarize it.

First, let me say that the story I heard the administration present about the ANA this morning is what we would call, where I come from, an old man coyote tales; part fiction, part truth, but mostly for entertainment purposes.

I have been affiliated with this particular agency since its inception prior to becoming independent of OEO, and have observed this transition from what I would have to call a fairly flexible, independent, well-run operation, to what today we find to be a more politically type oriented agency. Two years ago we appeared before this committee. One of the concerns that was expressed at that time was whether or not the ANA should be transferred to the Bureau of Indian Affairs. There was quite a bit of controversy about that.

The administration finally agreed not to transfer or try to propose transfers to the Interior Department, and basically said "we will stay where we are and we will try to do a good job." We would submit that what has happened instead is that the administration has said "OK, if we can't get transferred to the Interior Department, we will hire a former BIA employee to run the agency." And I would have to submit that over the last couple of years, that, in fact, is what has happened.

This morning the administration testified that 16 percent of its funds go to off-reservation organizations. We would submit that that is incorrect. Our analysis of their funding pattern for the last year, with data gathered from their department, indicates that just about 7 percent of their money goes to off-reservation programs.

Senator GORTON. What kind of programs would they be including in that 16 percent, then, that you think should not be?

Mr. FRAZIER. Their testimony in the past has indicated that they would count as an off-reservation program an intertribal organization. I think STOWW, Small Tribes of Western Washington, was added into their analysis last time. I don't know what number or who they stuck in this time to come up with their 15 or 16 percent.

Our analysis of that funding pattern that they gave to your committee members indicates that only 7 percent of those are urban programs.

On the other side of their testimony, the administration testified that there were only 50 or 75 urban programs out there in Indian country. A recent publication that I prepared, which is currently on the market, used by libraries, the Senate, the Supreme Court, et cetera, lists 6,000 addresses of Indian organizations, groups, arts and crafts wholesale retail outlets, et cetera. In this publication alone I found over 200 off-reservation organizations that currently receive grants from the Federal Government. We only listed those organizations that receive grants from the Federal Government. We did not list those that operate independently, but are in fact off-reservation programs.

We would submit that there are probably 400 to 500 off-reservation organizations. Having lived in Seattle for—well, long enough to remember what rain is, I think in the Seattle area alone there are probably 20 urban organizations.

Senator GORTON. How many of the 200 that receive grants, some Federal agency receive grants, from ANA?

Mr. FRAZIER. I believe 20. It is a very small number.

Our concerns with the agency over the last number of years, and our recommendations with respect to that concern primarily three areas, and the House has addressed a couple of those areas in the bill that they passed.

First, the discretionary authority that the Commissioner has within the agency, that has led to what have been identified as management and leadership problems over there. We have recommended a number of ways that we think legislatively that can be corrected.

The first is a congressionally mandated oversight group to review the policy changes. The House adopted that position and we applaud them for that. We think similar adoption should be done on the Senate side. There is just too much discretionary authority there. If you have a good guy—Commissioner—OK. If you have a bad guy, it can be abused. And I think in the past the pattern has been that it has been abused because of that flexibility.

We recommend that there be some setting of award cycles to a minimum of 3 years. These ANA grantees have to come back year after year with their hand out. A typical pattern is they receive a grant award for 1 year, against a 3 year prepared plan. Three months after your start date you get your NOFA, which is your notice of financial assistance. At that point, supposedly cash starts to flow and the grantee can begin operations. But you are already 3 months into the operation cycle.

Six months into the operation you start looking at next year and how you are going to have to get a proposal in to start worrying about next year. So, it is like the tail and the dog are running together and you are never really quite able to get the horsehead in the right direction.

Senator GORTON. That is one of the amendment the House did adopt.

Mr. FRAZIER. We, again, applaud them because of we made the same recommendation on the House side. We also applaud them

for their amendment on requiring policy changes to be brought back to the House and the Senate.

Last year we heard a statement come out of the Administration for Native Americans, which was, in effect, nobody in the House or the Senate is going to tell me—the Commissioner—how to run my office. We disagree with that. We think the Senate and the House sets which way that agency is going to go.

With the broad flexibility that they have had in the past, they have had a lot of latitude. We think if they are going to make some policy changes, they at least ought to come back to where that legislation originated and try to justify some of those changes.

We also have recommended—and I don't know if the House adopted this one or not—the reinstating of an appeals process for decisions made with respect to grants by the Commissioner. Right now there is no appeals process. A grantee applicant can come in with the greatest idea in the world, it goes into a panel, gets turned down, and it is tough luck. Other agencies have instituted appeals processes which allow the unsuccessful applicant to appeal that decision.

Other recommendations, we have recommended is that the Commissioner be a nonpolitical appointee, and that the grants be awarded to some competitive process that they would be adhered to.

Senator GORTON. If the Commissioner were a nonpolitical appointee, would some of these other review processes be necessary?

Mr. FRAZIER. I don't believe so. With respect to the second area of our testimony, the position that we have taken is the disproportionate amount of the urban Indians, and I have already covered that. We also recommended that there be a minimum funding level set for grant awards.

You have heard the Administration testify earlier that they will fund all or a part of an organization's game plan. Sometimes that part they choose to fund is so small that the organization really can't do much with it. Nobody turns down money, but when you are given a grant for $40,000 and your need is $120,000, you spend probably half your time trying to figure out how you can modify your game plan, resubmit it, get it approved. By the time you get it approved, you are back into the refunding cycle time. So we have recommended a minimum level be set.

We have also recommended that some quality technical assistance and training be provided to both the applicants that are successful as well as nonsuccessful applicants. We saw an exercise 2 years ago where the agency was providing technical assistance to only successful applicants on how to write a grant application. That may have been a way to maintain their existing 20 to 30 grant applicants in our off-reservation area, but it specifically excluded those others that, first, had been turned down and, second, had never been able to apply in the past.

We have also recommended that the funding level be increased to a reasonable level based upon need. Our need was based upon the fact that we have *x* amount of applicants and a pool of money that is so big. The Administration's proposal to include profit corporations obviously would increase the need or the demand on that pool of money, and subsequently we would have to submit that we

would therefore recommend a higher level of funds be made available.

On the note of the profit organizations being eligible applicants, again, we saw this exercise by ANA a couple of years ago. I worked with one of the profit Alaska Native corporations that the Commissioner says is the target group. I worked for the 13th. They were based there in Seattle.

The last—the management policy and practice was that the last group we wanted involved in our investment practices—and we were an investment holding company—was the Federal Government. That's why we created a nonprofit organization to apply for funds such as this. I'm sure you're familiar with a bank's feelings about Government involvement.

That concludes my testimony and I'd be more than glad to submit a copy of my book for anybody's interest in finding off-reservation organizations. I don't purport to have it in anyway all inclusive, but it certainly does provide a certain number far in excess of what the Administration purports to be out there in off-reservation Indian country.

[Prepared statement of Mr. Frazier appears in the appendix.]

Senator GORTON. Mr. Frazier, you've given us a number of very specific recommendations on ways in which to make the grant process both more fair and more effective. I assume that means that you feel that different grants, or grants in different amounts, would have taken place, of course, in the last 2 or 3 years had these rules been in place.

Can you give me here orally, or could you submit to the committee in writing, some specifics, some applications for grants which you feel would have been highly effective which were turned down because these rules were not in place, and some specific grants which were made which would not have been made had these rules been in effect, so that we can tell what the difference would be if we added this—structure?

Mr. FRAZIER. Let me submit one instance and we will submit others in writing. I listen to complaints about guys who don't get grants all the time. I'd like to take a look at what they did get and we'll submit them back.

Senator GORTON. That's fine.

Mr. FRAZIER. Let me take an instance where—and this particular grant was awarded to a tribal group out in California. Their tribal government did not want the grant, but the grant was made by the Administration to some splinter group on their reservation to tinker with the the tribal constitution. I'm not sure that that's the most effective use of the ANA dollar, and I'm not sure that it can comply with the ANA game plan, but it was something that ANA wanted to do.

One of the members that's involved in the tribal government came to me and said, is there anything I can do? And I said well, we've got hearings next month, and he said I don't really think the committee want to hear us because the Administration gave the grant to this splinter group, which in turn has been tinkering with our tribal government.

This again is an instance—if I can name one other where the ANA dollar is going to supplement things that the Bureau would

normally be doing. I think the other one is out on the Navajo Reservation now where a large grant has been made to the tribe to tinker with—or to assist in development of a changed tribal constitution. There was some publication in the the Navajo Times about that coming about.

These are things that the Bureau normally did. Up on my reservation the Bureau prepared the recent changed constitution, the Bureau sent in the people that were supposed to sell the tribe on the constitution. In fact, the current ANA Commissioner was the one that was sent onto our reservation to do such when he worked for the BIA.

I would submit that the agency, ANA, has engaged in that particular type of game plan, maybe because there's an interest there. But I'm not sure that it's the proper place for them to be. The bottom line is that the flexibility exists within the ANA operational procedures now that allows them to do those types of things.

Senator GORTON. You've given two good examples. I hope you will followup on this. On both sides of the equation, both sides were very effective and should have have been honored, but were not, as well as where that money went instead.

Can you give me an example of a success story with respect to urban Indian programs? Even in that relatively small amount, what kind of grant, what kind of application really works, and where do we get our money's worth?

Mr. FRAZIER. Well, the success over the years is measured—let me take a recent one. I'll take Seattle. I'm familiar with that and you're familiar with their side. Their grant enables that particular grant recipient—and we're talking about the Seattle Indian Center—to plan, manage, and implement other programs for the off-reservation Indian and their target area.

It's kind of the glue that holds all these other little pieces together. The Administration for Native Americans, for instance, can support economic development strategies under a JTPA grant. The JTPA grant, however, is limited to a 20-percent overhead or administration costs. The ANA dollar, mixed with a little bit of United Way dollar, makes the whole deal, the economic development pursuits of that particular organization, a tangible type of pursuit, something that's reasonably feasible.

In other urban areas, I think the dollars have gone to similar types of pursuits, and that enables the company or the corporate recipient to have the financial flexibility to look around at some of other things that are in the area. That could include the development of a profit arm. The nonprofit corporation, as a grant recipient, is not refrained from developing a profit corporation or a subsidiary corporation to pursue some of these nonprofit entities. And that is being done. It's being done in Oklahoma City, it was done in Denver, and possibly Los Angeles.

These particular organizations which were, or are, ANA grant recipients have had the ability to go out and look at some of these other economic development—or business development, I would have to say, rather than economic development pursuits within their local communities.

Senator GORTON. How many Indian urban centers have lost funds over the last 5 years

Mr. FRAZIER. Well, at one time there were about 75 that were receiving ANA money.

Senator GORTON. And now you think it's only 20?

Mr. FRAZIER. I think it's 20 and it may be less.

Senator GORTON. Mr. Diamond, your testimony I found quite fascinating. You certainly gave news to me where you indicated, you know, that a large percentage of the population in the State is Native Hawaiian, and particularly what a large percentage are young people.

Is it your view that the native Hawaiian population has or have equal opportunities in the State of Hawaii at the present time, or do you still have serious problems of discrimination and lack of education and lack of general opportunity?

Mr. DIAMOND. These continues to be in a large number of areas shortfalls and shortcomings relative to addressing the needs of the Hawaiian population. Some of these new programs that have been introduced in 1985 we hope and expect to address even further. We do not rely totaly on that. We attempt to try to give to each one of the existing institutions and/or governments the opportunity to demonstrate that they are responsible and accountable, and then we intervene together.

Over the last 2 years we have entered into a memorandum of understanding with the Department of Hawaiian Homelands and we hope to have the Office of Hawaiian Affairs join us soon. That will combine the three major organizations that are presently addressing the self-sufficiency issue of the Hawaiian. Together, we can go after each one of their respective areas with as much resource as possible.

For example, we have great difficulty in the area of housing. That is why we are focusing on that. We have gone from education to job development, in providing assistance. There was a bill heard I think last week here in the Senate on another Hawaiian issue relative to health needs. And here we are talking about an ANA extension, but we are addressing the housing needs.

Native Hawaiian on Hawaiian homestead lands have been for almost 20 to 30 years on a waiting list. There are about 8,000 on the list. Within the last year or so there have been almost 3,000 put on the land with another 4,500, but the interesting thing is that as these people have been awarded land from the trust lands, the list now has increased to 11,000. So that's kind of an indication of some of our problems, too.

Senator GORTON. You mentioned in your testimony briefly your problems on the island of Molokai when, what was it, Dole Pineapple closed down?

Mr. DIAMOND. It wasn't Dole, Del Monte.

Senator GORTON. You had a drop between 500 and 600 jobs to some 60. Was that simply a drop in the Del Monte employment or——

Mr. DIAMOND. Del Monte employment. That was the principal employer for the island.

Senator GORTON. And so, what has happened to those people? Have they found other opportunities on the island? Are you using these programs for that or did they have to leave?

Mr. DIAMOND. Some have left, most have stayed. Some are going to try and do farming, some are looking at the possibilities of fishing, our visitor industry has intervened somewhat. There are a couple of projects——

Senator GORTON. Well, what happens to that Del Monte land that was formerly used for pineapples?

Mr. DIAMOND. It belongs to a major landholder called Molokai Ranch, which is about to be sold. Some of the land has been turned over in lease form to some of the residents of the island who used to work for Del Monte.

Senator GORTON. So it's a major concern of yours to your programs.

Mr. DIAMOND. Yes, sir.

Senator GORTON. Thank you both very much.

Mr. DIAMOND. If I may, I brought something from Hawaii for the committee. Back home the State legislature has endorsed these materials explaining the Aloha Spirit. The measure passed both houses and it is now awaits the Governor's signature to become public policy and I would like to leave these materials with you.

Senator GORTON. We'll be happy to receive it. Thank you very much.

Mr. DIAMOND. Thank you.

Senator GORTON. Mr. Lay and Mr. Lester? Mr. Lay, we'll begin with you. Your written testimony will be included in the record as if read in full, as will be the case with Mr. Lester. The chairman must apologize that his time period has almost run out, so we would greatly appreciate that you summarize and not read your entire statements.

Mr. Lay.

STATEMENT OF CALVIN LAY, SECRETARY OF UNITED SOUTH AND EASTERN TRIBES, NASHVILLE, TN, AND PRESIDENT OF THE SENECA NATION OF NEW YORK

Mr. LAY. Thank you, Mr. Chairman. Mr. Chairman, distinguished committee members, my name is Calvin Lay, secretary of the United South and Eastern Tribes, Inc., and also president of the Seneca Nation of New York. USET is pleased to have this opportunity to share our views with you on S. 1991, legislation to reauthorize the Native American Programs Act of 1974.

The United South and Eastern Tribes, USET, is an intertribal organization representing 16 federally recognized tribes in the Eastern United States. Virtually all of the USET member tribes have been recipients of social and economic development grants from the Administration for Native Americans over the course of the past 3 years.

Currently nine of our member tribes, as well as the USET organization itself, are ANA grantees. Additionally, most of our member tribes have benefited from critically needed legal assistance, provided by the Native American Rights Fund, which is itself funded in part by technical assistance financial grants provided by ANA.

To mention but a few, the financial assistance grants provided by

the Native American Programs Act have:

One, enabled many of the USET member tribes to conduct the essential historical and legal research necessary, to successfully petition for Federal recognition, via the Federal acknowledgement process, and to successfully press for a redress of their respective land claims; two, helped many of our tribes develop very viable and successful tribal enterprises and joint ventures, such as the Shape video cassette factory at Indian Island, ME, and the wire harness and greeting card plants at Choctaw; three, helped most of our tribes develop or improve and strengthen the essential governance and management documents, structures and procedures of our tribal governments and enterprises, which are essential to stable governments, which, in turn, are essential for stable social and economic development; and, four, assisted many of our member tribes to effectively protect and manage our natural resources, which are essential to the very existence of our tribe, and our Indian people.

Of all of the Federal agencies administering Indian programs, ANA comes closest to carrying out the Federal policy of fostering and encouraging Indian self-determination, social and economic self-sufficiency, and promoting decisionmaking at the local level.

Development of tribal capabilities will, we feel, result in better and more cost effective management of both Federal, and private revenues. ANA has allocated very limited resources which produce ongoing and lasting effects by recognizing that governmental sovereignty, cultural-social self-determination, and economic self-sufficiency, are all interdependent and collectively dependent upon the ability of tribal governments to govern in an integrated coordinated manner.

ANA also has been instrumental in coordinating inter and intra-agency funding agreements, which have both maximized effective program initiatives and reduced duplication and waste between agencies.

The major problem with the Native American Programs Act has not been in its design or objectives. It has been one of inadequate funding. From fiscal year 1975 through fiscal year 1981, ANA was funded at a static figure of $33.8 million annually. In fiscal year 1982, funding was cut to $28 million. In fiscal years 1983, 1984, 1985, and 1986, funding has been at a level of $29 million, not accounting for the Gramm-Rudman-Hollings cut in fiscal year 1986. The administration has proposed a further cut to $27.3 million for fiscal year 1987 in addition to whatever the Gramm-Rudman-Hollings reduction calculates out to be for fiscal year 1987.

For the past several years, ANA has received competitive grant applications requesting assistance approaching $60 million a year. Currently, less than 35 percent of the grant applications are funded, and most of these are funded at levels significantly below what was requested and needed by the grantees.

The administration now proposes that the act be amended to limit the authorization for appropriations to $27.3 million for fiscal year 1987, thus ensuring that the budget for ANA is cut and eliminating all technical assistance and pilot and demonstration funding under the act. We adamantly oppose this proposed limitation on funding and request that this committee reject the administration's request.

At the same time, the administration wants to severely limit the act's authorization, they proposed that the act be amended to permit for-profit entities to participate on a competitive basis in the program. While it is our understanding that the purpose of this proposed change is to permit Alaskan Native villages, regional corporations, and tribal enterprises to participate, we would point out that this would dramatically increase the entities eligible to participate and compete for funding from an agency, which is already critically underfunded.

The ANA Program already has an unmet need of over $33 million. We would urge the members of this committee who are on the Appropriations Committee to not support the proposed broadening of the act to include such entities, unless they are prepared to support a proportionate increase in funding to meet this need.

We would also recommend that the act be specifically amended to provide for Indian preference in employment within the agency which is currently applicable at both the BIA and IHS. And, further, that the act reference and provide for Indian preference in contracting pursuant to the Indian Self-Determination Act and Bui Indian Act.

We will be happy to supply this committee with the proposed technical amendments necessary to implement our recommendations. Because of the already demonstrated success of the ANA Program, we strongly urge and recommend that the Native American Programs Act be reauthorized for an additional 4 years, and amended in accordance with our recommendations contained herein.

On behalf of the member tribes of USET, I thank you for the opportunity to present our views on S. 1991 today.

[Prepared statement of Mr. Lay appears in the appendix.]

Senator GORTON. Thank you, Mr. Lay, very much. Mr. Lester, if you would proceed.

STATEMENT OF DAVID LESTER, DIRECTOR, COUNCIL OF ENERGY RESOURCE TRIBES, DENVER, CO

Mr. LESTER. Thank you very much. I am David Lester. I am the executive director of the Council of Energy Resource Tribes, commonly referred to as CERT. CERT is a multitribe organization of 42 tribes comprising a little over 50 percent of the on or near reservation Indian population in the United States. Those tribes control, have jurisdiction over, or own approximately 60 percent of the Indian lands in the United States.

CERT was established by the Indian tribes to provide them technical and professional assistance in purchasing the mission of promoting their own self-government and self-sufficiency through the management, protection, and prudent development of their natural resources.

Because of this mission that the tribes have given us, we find the ANA mission and goal statement to be very refreshing and to be quite consistent with our own experiences and organizations, the data that we've collected, and the social and economic and self-government goals of the tribes that comprise the CERT governing board.

We find that the grants to CERT member tribes, as well as the technical assistance that we're able to provide Indian tribes through the grants and contracts to CERT, have helped support the development of political institutions capable of carrying out the essential functions of local government. We've found that this type of support has enabled tribes to establish better social systems and social institutions that meet needs within their own community rather than relying strictly on resources supplied from Washington, DC.

And we found that economic institutions are beginning to emerge that are capable of generating income, providing employment, and developing a private sector within the reservation economy.

We found projects to be highly successful as a result of the consistency between the tribe's goals and the goals and the mission of the Administration for Native Americans. For example, tribes are developing sound enterprises and taking advantage of their natural resource base.

We've assisted tribes in the development of management systems, both in the area of personnel as well as finance. We've assisted tribes in the establishment of offices for the management of natural resources, as well as offices for the management and protection of tribal environmental resources.

We've been very successful in working with Indian tribes and securing adequate compensation for rights-of-way. We worked with many tribes as they established development agreements with private industry. These development agreements forge partnerships that allow private industry and the tribe to both gain benefits from the development.

We have more recently been requested by tribes to assist them in the development of financial institutions which would finance local development and assist in the development of small business enterprises that would be individually owned; that is ranching, farming, manufacturing, and the service and retail industries.

Currently we expect that the Blackfeet Bank will open its doors some time this summer. We've been working with the Cherokee Tribe of Oklahoma on a hydroelectric project that is quite innovative, bringing private backers into a partnership with the U.S. Army Corps of Engineers.

We're working with Southern California Utilities in the development of a solar power project in southern California with one of our member tribes. In all, we're currently engaged in 125 projects. This past year we've assisted 55 separate tribes. Obviously with only 42 in our membership that means that CERT does provide assistance to tribes who are beyond our membership when our technology and our expertise is of use to those tribes.

I want to point out that we provide no assistance to anyone—no entity, none of our member tribes or nonmember tribes—without a specific tribal council resolution requesting the assistance. So, we are governed even on our project selection by the elected leadership of the Indian tribes.

We strongly support the passage of S. 1991, but we have three or four major concerns. First, we believe that the first-year limitation on appropriations is inappropriate. For several years the Senate

and the House have understood the importance of this small program in that the array of Federal assistance it provides to Indian tribes and native American organizations is basic to: One, the implementation of the philosophies of the Reagan administration; two, the congressional policy toward Indians of self-determination; and three, eventually to self-sufficiency.

By reducing the technical assistance funding level by $1.7 million is, I don't believe, coincidental to the fact that this is exactly the amount that has been appropriated the last few years for technical assistance.

The President's Commission on Indian Reservation Economies pointed out that one of the major barriers to tribal development is a lack of adequate professional technical assistance. The tribes recognized this fact in organizing groups like CERT and others like USET. Tribes saw the need to pool their resources in order to share scarce technical and professional assistance.

The elimination of technical assistance would be, I think, a significant blow to the progress that has been made to date. Second, we have some concern about the grants to for-profit native organizations. We believe that it's an innovation that is long overdue in many Federal programs, and it's one which should be adopted, but one which should not be placed in competition with existing resources.

We believe there is a role for grants to for-profit groups. Many tribes, as you know, have for-profit enterprises that could benefit greatly by an infusion of operating capital. And since capital is scarce on reservations, we would recommend that this authority be specifically spelled out in the act in terms of a separate section, and line item. We feel the appropriations process could then determine the degree of support to be allocated for this kind of program within the overall budget constraints of the Congress.

Alternatively we would suggest that grants to for-profit native organizations be conducted on a 3-year pilot program. It would be worthwhile to obtain knowledge about who's out there and what kind of results could be obtained.

For many there is a fear that this would only create an incentive for the rich to get richer without any broad-based community involvement in long-term social and economic development at the local level.

Third, we believe that grants should be made available to multitribal and multiorganizational entities for the purpose of providing technical assistance to various eligible groups in carrying out their projects. There are a number of organizations that provide valuable technical services and that are controlled, in effect, by eligible organizations; CERT being one of them.

Currently the ruling is that training of technical assistance must be provided by contract only. We believe this is true when the agency itself is out procuring training and technical assistance. But funds could be made available to grantees through the grant mechanism for them, in turn, to procure their own training and technical assistance. And we believe this should be an integral part of the aim of the program.

And, fourth, we believe that it is inconsistent with the intent of the act not to include Indian preference in contracting and hiring

along the lines of the Public Law 93-638. In fact, while I was there, it was our interpretation that the Self-Determination Act, Public Law 93-638, did apply to the agency. And I believe that for a technical reason the comptroller has said that the authority doesn't lie with the agency. That must be remedied with this act.

We will also be proposing to the committee for its consideration, specific language regarding our recommendations.

[Prepared statement of Mr. Lester appears in the appendix.]

Senator GORTON. Thank you very much. I'm afraid the chairman's time has run out. I do have a number of questions for you, and I believe that I'll have the staff ask the written questions so we'll have them in the record. But I want to thank both of you for coming, as well as the other witnesses today.

Mr. LAY. Thank you, Mr. Chairman.

Mr. TAYLOR. Mr. Lester, I'd like to ask you a couple of questions about the House amendments that were adopted, and as a prior administrator of the Administration for Native Americans programs, whether you share the view that was enunciated by the administration here today that the House amendments would be unduly restrictive and could impair their ability to operate the programs.

Have you had an opportunity——

Mr. LESTER. I haven't had an opportunity to study the House amendments. I'd be glad to provide our views and my personal views on those amendments.

Mr. TAYLOR. We would very much like to receive those views.

Mr. LESTER. I will say as a matter of personal observation, one of the tremendous strengths of the agency, given its lack of budget resources, is the flexibility that is built into the program. So, I would view flexibility as one of the principal strengths of the organization. Without that flexibility, you begin to have another categorical program that cannot move with the development of various communities. Communities are not on the same development path, nor are they moving at the same pace. Each community and tribe—even in Hawaii and the various island communities—has its own concept of where it wants to go as a community, as a people.

Without that flexibility we then have a categorical program that imposes limitations and you have a Federal program rather than a locally driven and conceived program. So the flexibility is very important.

The abuse that may occur from time to time is largely from lack of sufficient data either at the Federal level or at the local level. We largely do not know any level that answers the most important questions about our own development. Correct statistics are not gathered. The employment and income data is not only inaccurate, it's useless, because it doesn't explain the dynamics of an underdeveloped native American community, nor does it suggest means by which the community can, through self-help projects, move from a lesser developed entity to a more developed entity.

Second, I disagree fundamentally with the notion that a Federal career bureaucrat could run the agency better than a political appointee from the native American community. We may not from time to time agree or even like the native American that's been appointed, but it's far better, in my view, to allow us to oppose and

disagree in public forums with a person who's sensitive, through that political appointment, to the views of the community.

Third, the most fundamental aspects of a tribe with recognized powers of self-government are the governing documents, the constitution, the tribe's common law, and the ordinances that the governing body passes. That process establishes the social and economic policy and the powers to enforce those policies at the local level.

ANA should be engaged, as should the BIA, in assisting tribes to modernize their documents and otherwise use their powers of self-government to create the social and economic conditions that are amenable to development of the tribe in its culture. So those are my personal views on some of the comments that have been made this morning to the committee.

Mr. TAYLOR. Mr. Lay, I don't imagine you've had an opportunity to review the House amendments either?

Mr. LAY. No; I have not, unfortunately.

Mr. TAYLOR. Well, perhaps both of you could submit views on those House amendments. We will be taking this bill to a pretty early markup, so we'll have a pretty limited time. Mike Mahsetky has some additional questions.

Mr. MAHSETKY. This question is for Mr. Lester. And that is, as a former commissioner of ANA, how much discretion should a commissioner have in the review process of grant applications as well as those applicants that are actually funded?

Mr. LESTER. It's my personal view that the commissioner must assume personal responsibility for every funding decision that the agency makes. I believe it's unfair to the applicants as well as to the agency and the administration to allow a panel of anonymous, so called, experts, who largely are gathered wherever they can be assembled. I believe that the commissioner should bear the full responsibility for those decisions.

I believe that there should be an appeal process, that allows for an impartial review of those decisions. I believe that the regulations do provide for that.

I will point out that many, many excellent applications are not funded because of the lack of resources. I do not agree with the method that is currently underway of only funding a part of a plan. It's like going to the doctor for treatment of two or three very serious problems and hear the doctor say "I am sorry, I am only going to treat one problem". The one that will kill you is the one he didn't treat. The one segment that will destroy the overall strategy of the community is the crucial segment that won't be funded rather than the one that is.

If there is a comprehensive approach to local community development, then it must be funded as a strategy of the community to overcome its social and economic problems and move it toward social and economic opportunities.

However, I do understand that Congress is under pressure to fund more and more groups with fewer and fewer dollars, so you have a situation in which you have severe underfunding of many programs.

Mr. MAHSETKY. Thank you. The House passed a version of ANA reauthorization that includes a provision for multiyear funding. I believe it's a maximum of 3 years.

Could you state your position or your opinion about a multiyear type funding concept?

Mr. LESTER. I think 3 years is an arbitrary ceiling. If a project takes 5 years to complete, then the funding should be made available for 5 years, and renewed each year on the basis of the prior year's performance. If the project is on schedule toward its 5 year project goal, then the next year's funding should be made available to move the project forward.

The development doesn't easily fit, you know, the categories and the timeframes that we have to deal with here in Washington, DC. Development of projects have their own life or development cycle, but an arbitrary 3-year cap I think is unappropriate.

I understand there is concern that 1-year appropriations do not allow for continuity in the development process at the local level. But I don't believe a grantee should be guaranteed 3 years of funding regardless whether any progress is made or not. On the other hand, I don't believe funding should arbitrarily be capped when it may take 5 years to complete or 4 years or a 3½ years to complete. That just doesn't make any logical sense if you're dealing in the real world. It only makes sense if you're trying to gain leverage over the decisions of the commissioner.

Mr. MAHSETKY. How important do you think the—I believe in your testimony you made a reference to the $1.7 million——

Mr. LESTER. Yes.

Mr. MAHSETKY [continuing]. Reduction actually tied to the technical assistance portion of ANA's budget. How important do you think technical assistance is to the goals of ANA? Or, more importantly, do you know how this money is being used for this point?

Mr. LESTER. I know how some of it's being used. We receive some of those technical assistance dollars in combination with funds from the Bureau of Indian Affairs, the Environmental Protection Agency, and the Department of Energy, which forms a multidepartmental interagency contract in which we provide technical assistance to CERT member tribes and other Indian tribes who request our assistance.

Through the interagency agreement, we're able to provide tribes with help in protecting and managing their environmental resources and development and management of their natural resources for the benefit of the tribe and its members. And the results have been phenomenal.

This past year we received approximately $350,000 for technical services. That is a fairly large sum out of the $1.7 million. But that was leveraged more than 50 times in terms of economic benefit to the tribes that were assisted. So I believe it's a very effective mechanism.

I believe if there's any fault with it, it isn't used more extensively by all native American groups to acquire the expertise they need.

Mr. MAHSETKY. Do you believe that new grantees or potential grantees, prospective grantees, who have never participated in the funding of ANA should be given technical assistance prior to submission of an application proposal, or generally I believe the way it is done now is they'll only receive technical assistance after they have been turned down for funding?

And my question is, do you think that brand new grantees should be given technical assistance prior to submission of an application?

Mr. LESTER. I believe that the practice of ANA under Commissioner Engles a couple of years ago is the proper approach. ANA did not go out and procure a native American organization to provide grantees and eligible organizations who were not grantees basic training and social and economic development.

I believe it would defeat the purpose of ANA to train grantees strictly to comply with ANA rules and regulations. We'd fall back into the CETA trap of a federally dominated program telling the communities who's eligible for what and who can be served. But if there needs to be more assistance and understanding of the development process, there isn't anyone in the United States who truly understands the intricacies of moving a tribe from an underdeveloped state to a more developed state, in the concept of local community control.

We have seen our lands developed. When our lands are developed our population is displaced, and that's no development for us at all.

Mr. MAHSETKY. Thank you. I don't have any more questions.

Mr. TAYLOR. I have no further questions. As I said, we do propose to take this to a very early markup, and I would hold the record open an additional 2 weeks for comments. We would appreciate hearing from any interested parties.

The hearing is adjourned.

[Whereupon, at 11:15 a.m., the committee was adjourned.]

APPENDIX

Additional Material Submitted for the Record

PREPARED STATEMENT OF

WILLIAM LYNN ENGLES, COMMISSIONER

ADMINISTRATION FOR NATIVE AMERICANS

OFFICE OF HUMAN DEVELOPMENT SERVICES

Thank you for the opportunity to present an overview of the work of the Administration for Native Americans and to comment on our proposal to extend the Native American Programs Act.

The Native American Programs Act promotes self-sufficieny for American Indians, Alaska Natives and Native Hawaiians by encouraging local strategies in social and economic development. We consider social and economic underdevelopment to be the paramount obstacle to the self-sufficiency of Native American communities and families.

Social and economic underdevelopment contributes to high unemployment, high school dropout rates, poor health, and other problems which affect Native Americans to a greater degree than almost any other population group. The lack of a strong diversified economic base has made Native American communities especially dependent on Federally-designed, Federally-funded and Federally operated programs.

I would like to address the Administration's proposal to extend the Native American Programs Act. The reauthorization basically extends the current law. In addition to the extension, the Administration is requesting that Section 803 of the act be amended to allow for-profit private organizations established by Native Americans to compete for financial assistance grants (Section 803). Currently only public and private non-profit organizations are allowed to participate. Many Native American communities are reaching the stage in their economic and social development at which they can create profit-making entities to carry out developmental activities. These "for profit" arms of the community generate jobs for Native Americans, are a source of revenue for the community, and can attract needed capital from outside the community more readily than can a tribally-managed business.

Removal of the non-profit restriction would support the Department's initiative to remove legislative and regulatory barriers to grants to for-profit organizations. This would also help the program achieve its objectives by increasing the number of Native American organizations eligible to participate in the program.

Reauthorization of the existing law will enable the Administration for Native American's strategy for social and economic development to continue to make measurable impact on self-sufficieny for Native Americans.

The Administration for Native Americans programs and policies foster a balanced developmental approach at the community level through three major goals.

1) To help develop or strengthen tribal governments, Native American institutions and local leadership to assure local control over all resources;

2) To foster stable, diversified local economies to provide jobs and reduce dependency on social services; and

3) To support access to and coordination of programs and services which safeguard the health and well-being of a community and its people.

These goals are based on the premise that the local community has the primary responsibility for determining its own needs, planning and implementing its own programs, and building a strong economic base through effective use of its own natural and human resources.

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The Administration for Native Americans' funding policy is to assist Indian Tribes and Native American organizations to plan and implement their own long-term strategies for social and economic development. This funding approach moves the focus from increasing dependency on social services to increasing the productivity of both individuals and communities.

Panels of outside individuals review and rate all applications for financial assistance funds according to published criteria and seek to identify those proposals most likely to produce permanent, beneficial change for Native American communities. Applicants must state specific, measurable goals based on the developmental needs of the community. After funding, grantees must report what they have accomplished based on the goals they set.

Tribes and organizations are finding that Social and Economic Development Strategies provide the means through which lasting change may take place. In the past three years the policy has benefited all of the groups ANA was established to serve.

It has met with success in Indian tribes, Alaskan villages, Hawaiian communities and urban organizations. Given determination and motivation on the part of the community, SEDS strategies have worked regardless of the local resources which are available, the level of political development of the community, or the social or economic needs of local people.

There are many success stories involving our grantees. Three of them are:

- AHA's grant to the Fond du Lac Tribe enabled the Fond du Lac Manufacturing Company (FLM) to secure a contract for $1,983,687 with the U.S. Postal Service to produce postal vending machines and a contract for $275,000 with the General Services Administration to manufacture specialized storage equipment. These contracts resulted in a 117% increase in sales over 1984 and created 24 full time jobs in the sheet metal, welding, fabricating and painting trades, and management areas.

In addition, the tribe has obtained 8-A certification and has secured $130,000 from the Small Business Administration to purchase additional equipment for the company, greatly increasing production capabilities and efficiencies.

- ANA's grant to the Cumberland County Association for Indian People resulted in services provided to 45 existing Indian businesses and establishment of a number of new businesses, including a florist shop, a dry wall construction company, and a roofing repair company. These activities resulted in 24 new jobs with an estimated payroll of $254,000.

- ANA's grant to the Coeur d'Alene Tribe enabled them to open a new shopping center in 1985 in Plummer, Idaho. The shopping center's key attractions are the supermarket, one of the largest in the area, and six retail businesses, one of which is an Indian owned enterprise. The new businesses are providing needed products and services to travelers and to both Indian and non-Indian residents of the community. The Center has provided 29 new permanent jobs and rental income to the Tribe. The Tribe is now working on expanding an auto service station, which is expected to open in the Summer of 1986.

The Coeur d'Alene Tribe is also engaged in a joint venture with the private sector, establishing the Tenton/Three River's Rod Company. The company produces fishing rods which will be featured in Eddie Bauer's Spring catalogue. Coeur d'Alene tribal members have already been trained to produce the custom-made rods.

Overall program accomplishments in fiscal year 1985 were significant and include:

- The creation of 12,095 jobs for Native Americans resulting from our projects.
- The initiation or expansion of 373 Indian, Alaska Native and Native Hawaiian businesses.
- The strengthening of the governmental functions of 58 Tribes through the enactment of codes and management improvements.
- The construction or renovation of sixty-seven housing units on reservations and in urban areas.

Social and Economic Development Strategies grants aimed at social development often contribute to the tribe's economic development as well. By establishing day care centers and service networks to help the elderly, alcohol abusers, and drug abusers, these grants provide needed social services as well as jobs for tribal members trained in social work. SEDS grants also helped tribes and organizations establish more than one hundred linkages with local governments for the delivery of social services.

Finally, I would like to address briefly H.R. 3247, the proposed ANA reauthorization and amendments now pending in the House of Representatives. We oppose H.R. 3247 because of amendments made in the House committee which would be burdensome and potentially destructive to the ANA program.

One of these amendments requires the Commissioner, ANA, to provide a detailed justification to the Congress for every single grant award made by ANA. Aside from the fact that imposing this requirement on an Executive Branch official is without precedent, we are deeply concerned about being required to discuss individual grant applicant strengths and weaknesses in public documents. Not only will rankings of grant applications in this way become public knowledge, but

in any case in which the Commissioner decides not to follow the panel rankings, he will be required to discuss in materials sent to the Congress the weaknesses and problems of individual tribal organizations. We believe that these requirements will have a chilling effect on the ANA competitive grant process, making new and less experienced organizations as well as many more established organizations hesitant to apply, or justifiably unhappy at having what has up to now been protected information distributed publicly.

The second amendment which concerns us would require that in addition to regulations and grantee announcements which are presently published in the Federal Register, "all changes in general statements of policy, application requirements or priorities, other grantee or program requirements, as well as any changes in ANA organization, procedure, or practice" would have to be published in the Federal Register with a 30-day comment period.

Publication of these additional items is far more burdensome than for any other HHS human services program and would create significant obstacles in the way of managing this program and responding to Native American concerns.

This amendment may have been proposed with the positive aim of strengthening Native American organizations' involvement in ANA program policy and decision making. Involvement of our constituency is something that I and Commissioners before me have held as a top priority. Unfortunately, the house amendment would put the ANA program in a straitjacket and make it extremely difficult to respond flexibly and quickly to Native American organization concerns.

One thing we consistently hear from the organizations that we serve is that a major reason for this program's effectiveness is its flexibility, its responsiveness to individual tribal and Native American organization needs. Adoption of these amendments will be a significant step in destroying that flexibility.

I appreciate the opportunity to appear before the Committee. I will be happy to answer any questions you may have at this time.

PREPARED STATEMENT OF A. VAN HORN DIAMOND

Senator Andrews, Chairman and Members of the Select Committee on Indian Affairs:

For Alu Like, Inc., I am pleased and privileged today to affirm as well as convey our ALOHA to each of you. Likewise, thank you for this opportunity to provide favorable testimony on S. 1991, a bill to extend the programs under the Native American Programs Act of 1974 through fiscal year 1990.

My name is A. Van Horn Piimauna Diamond and I serve Alu Like, Inc. as its Director of Economic and Resource Development. I am here today representing Alu Like, Inc. in these proceedings.

Detailed testimony regarding Alu Like, Inc. and the Administration for Native American Programs is submitted for your perusal and information by Michael Tancayo, Jr., chairman of the Board of Directors, Alu Like, Inc.. His testimony clearly indicates why Alu Like continues to support the Administration for Native Americans (ANA) as enabled by the Native American Programs Act of 1974. Therefore, with your permission, I shall try to use this testimony and allotted time to summarize why we support ANA and the passage of S. 1990.

First, from an historical perspective, the Native American Program Act, administered by ANA, has consistently assisted Alu Like in (1) ascertaining the priority needs of the Hawaiian Community (2) validating the correct census of Native Hawaiians population in Hawaii (3) enabling Alu Like to address these priority need areas of sequentially, and, with a modicum of success as measured in terms of manifesting self- sufficiency as well as holding accountable identified responsible institutions.

The priority needs of the Native Hawaiian as surveyed in 1976 and 1980 respectively were: (1976) Education, Employment, Housing, Health, Native Rights; (1980) Education, Economic Development/Employment, Health, Housing and Native Rights. The Native American Program Act enables Alu Like to serve its Hawaiian constituency and its own organization's self-sufficiency goal with a results - orientation. Without the Native American Program Act, we might have progressed; however, it is a fact the human conidtion of the Hawaiian has improved through and with the Native American Program Act including us, as Native Americans. This leads to our next point.

Second, until last year, 1985, the Native Hawaiian as a Native American was enabled and confirmed only by two statutes, namely, the Native American Program Act of 1974, the Job Training Partnership Act; and, CETA heretofore JTPA. Today, the Native Hawaiian is included in the Native American provisions of the Vocational Education Act and the Library Services and Construction Act as well as JTPA and Native American Programs.. No other public laws identify and designate Hawaiians as Native Americans. Therefore, S. 1990 should be enacted. Without its passage, the Native Hawaiians' status and recognition, prospective entitlement or access to support resources become tentative.

There are presently no setasides or entitlements, despite the aboriginal genesis of Hawaiians, for Hawaiians as as Native American in the areas of Health, Education, Housing, even Affirmative Action. In this latter instance, we are classified as Asian/Pacific Islander.

Additionally, through ANA's Social Economic Self-Sufficiency Development Strategy (aka SEDS), Alu Like has been able to provide the basic tools to the Hawaiian community so to manifest self-sufficiency

in terms of, governance, societal development, economic self-sufficiency via entrepreneurship and community economic development.

Lastly, its continuation enables services to be accessed by 175,000 Native Hawaiians versus the lesser number served by the Department of Hawaiian Home Lands (DHHL) under a 1920 federal statute. The DHHL services only those Hawaiians who have a minimum blood quandum of 50%.

Presently, with ANA support, in terms of recent events, Alu Like has had some exciting economic development initiatives:

1) There is a possible joint venture with interested Alberta firms. Presently, for example we have a Memorandum of Understanding between Alu Like and Alberta company to manufacture affordable housing in Hawaii.

Technically, our thinking is (1) we import a contemporary methodolgy with applicable funding to buiid affordable housing in Hawaii. To the extent the proposed housing is affordable, useable and functional in an Hawaiian archipelego environ is the extent to which Alu Like or an affiliate may be able to generate a new industry and export for Hawaii.

2) Our island center of Molokai has pursued the development of human services for that island's residents, most of whom are Hawaiian. From sources other than ANA, our island center has, for every ANA dollar received, leveraged for Molokai $4 in human services - includes Child/Spouse Abuse, Midwifery, Youth Center.
3) We assisted the development of a business plan to have the first community radio station on the island of Hawaii. The Radio Station et al to be owned by a Native Hawaiian. SBA support is pending the present completion of a new market survey to reconfirm business plan's premise.

4) A State developed strategy for the economic revitalization of Molokai utilized our feasibility studies and includes:
   - a cooling plant for farmers
   - flake ice facility for fishermen
   - fishpond commercialization
   - cottage-level deep sea fishing
5) Wrote a concept paper in collaboration with Hawaii State Department of Planning and Economic Development, for submission to EDA (Washington, D.C.) for the transformation of Hawaii's Sugar industry wherein sugar becomes the by-product of this industry and ethenol, methane, sugar-lumber becomes the principal products. Consequently, the industry continues to utilize current acreage and manpower while gradually adapt modality in terms of converting current sugar mills to manufacture to the new main products and their commercial marketing.
6) Assisting Maui County governments in the management and development of its fish bait project.
7) Presently, we have a grant application to serve Hawaii's minority business community as the MBDA Center grantee in Hawaii. This expertise we wish to provide is the result of ANA enabling us to staff each of our five (5) island Centers with economic/business development specialists and the Central Administration with an Economic Development Institute.

This organizational situation provides us, we believe, with know

how regarding service outreach which can benefit all minority entrepreneurs in Hawaii Nei. Next, we happen to believe our knowledge about the connection between outreach and the encouragment of minority business enhances our application. If we don't get it, it's okay because we expect to try again.

8) Unlike many in Hawaii and elsewhere, we are conscious of Hawaii's geographic situation. Moreover, we are very much aware that Hawaii's value to these United States within the Pacific Region is multi-dimensional not lineal. But, nothing happens without initiatives which aredeliberate yet bold. Consequently, Alu Like over the past two (2) years in particular with ANA support:

- entered into a one-year working arrangement with Sears World Trade to jointly assist small businesses in the Pacific.
- proposed a series of Conferences through which Pacific island small business and Hawaii small business could interface relative to the development of a Pacific small business economy.
- participated in a Trade Mission to Alberta, Canada to find new opportunities for Hawaii. (Interestingly, there are common interests which, with proper attention, could manifest substantive economic value for Hawaii and Alberta.)
- This person, presumably because of the good works of Alu Like, has been chosen to represent the Governor and the

State of Hawaii in a Pacific Conference on Indigenous Entrepreneurship in Apia, Western Samoa; May 18-25, 1986 inclusive.

. Together with the Department of Hawaiian Home Lands (DHHL), we've provided information to the State Legislature to enable DHHL to be positioned so to have enterprise zones on Hawaiian Home Lands, pursuant to federal legislation once enacted.

We support ANA and its continuation because its SEDS (Social and Economic Development Strategy) is enabling the Native Hawaiian people to achieve its self-sufficiency; enables Alu Like to realize its own requirement of being self-supporting too.

Finally, the Native American Program Act of 1974 as amended, and, implemented by the Administration for Native Americans (ANA) is important to Hawaii and the Hawaiian people - both. That is, within a score of years a dominant population in terms of size may well be the Native Hawaiian. Therefore, the Native Hawaiian will be expected and ought to assume its leadership role and responsibility for the commonweal.

Presently, 29.4% of all persons, in Hawaii, under the age of 18 years are Hawaiian. This is based on the 1980 Census. In fact, this Native Hawaiian population is the largest single ethnic group in the under 18 years of age category. This is noteworthy since the Native Hawaiian is only 18.7% of the total state population, i.e., 174,219.911. However, the Native Hawaiian population of 18 years and older is only 14.4% of the state population.

Accordingly, the Hawaiian of 1986 and Alu Like's job is to ensure the opportunities for development are available, secured, accessed by Native Hawaiian. ANA is helping to make this happen for the Hawaiian people and Alu Like. Positioning for and opening up new opportunities is the present emphasis - so to acquire leadership skills. In the next set of years, the Native Hawaiian shall provide and/or contribute leadership to Hawaii Nei. Clearly, this outcome and how extensive it can be depends on present resources continuing to nurture and nourish the opportunities to build this human resource, namely, the Native Hawaiian.

Please extend the Native American Program into the year 1990.

Thank you.

PREPARED STATEMENT OF GREGORY FRAZIER

Chairman Andrews, members of the Select Committee, we would like to thank you for this opportunity to testify before the Select Committee on Indian Affairs concerning S. 1991, a bill to extend the programs under the Native American Programs Act of 1974 through 1990. This legislation, which authorizes the programs administered by the Administration for Native Americans, is very important to off-reservation American Indian and Alaska Native communities, and we are appreciative of your continued interest and support of the legislation. Before I begin my remarks concerning the Act, I would like to take a few minutes to tell you a little bit about the National Urban Indian Council and its history.

The National Urban Indian Council was founded in 1979 by and for off-reservation American Indian and Alaska Native people. Our organization was born out of frustration with the lack of attention and support given to our concerns by the federal government and other representative Indian organizations. At that time, urban Indian issues were not dealt with effectively by any branch of the government and only a few federal agencies. The position of most federal bureaucracies was at the time, and still may be, that is that an Indian is only an Indian so long as he/she resides within reservation boundaries. This is an absurd assumption which legislative initiatives, administrative policies, and judicial findings have proved to be false.

Today, over one-half of the total American Indian and Alaska Native population resides in off-reservation, rural and urban

areas; and yet there are only a handful of resources available to meet the federal responsibilities to them. The Administration for Native Americans has been and continues to be one of the primary resources for our constituency; and the National Urban Indian Council is pleased to present testimony today before the House Subcommittee on Human Resources concerning the reauthorization of the Native American Programs Act, ANA's authorizing legislation.

As others have indicated, the programs supported by the Administration for Native Americans have generally been successful. The National Urban Indian Council, through independent research, found that off-reservation rural and urban grantees have utilized ANA's resources to generate additional funding for their communities, increased employment and housing opportunities, and generally improved the social and economic self-sufficiency of American Indians and Alaska Natives. ANA is one of the only sources of innovative and creative funding for Native American communities, and as such, should be maintained.

However, it would seem, particularly in recent years that all the good that the agency has accomplished is in spite of the fact that **ANA is grossly mismanaged**. While it would be easy to present to this Committee a litany of "horror stories" detailing examples of staff and administrative abuses, we cannot, in all fairness, place all the blame on the Administration for the current state of affairs at ANA. To their credit, this Administration placed ANA in the hands of their brightest and best Indian party members. Unfortunately for Indian Country, these persons have not been up

to the job. However, with all due respect to this Committee and its members, we must insist that some of the blame be shouldered by the Congress of the United States who have neither heard nor been responsive to the message that Indian Country has been sending concerning this agency. S.1991, in its present form, must be viewed as further evidence of the unresponsiveness of Congress.

What is the message that Indians have been sending to Congress concerning ANA? And perhaps just as important, what can be done to S. 1991 to make it more responsive to the needs of ANA's constituent groups? As you know, NUIC is an independent organization that has been concerned with ANA since its inception. We have been vigilant in watching the agency since it was last reauthorized. In addition, the Council has solicited the anonyomous input of present and former ANA grantees and staff in the development of this testimony presented today. NUIC's findings have been summarized and are expressed in the following recommendations concerning S. 1991:

1) Perhaps the most consistent complaint concerning ANA that we have heard is that **the agency has become more and more politicized, arbitrary and capricious in the award of grants.** While ANA is a discretionary grant program, there seem to be few if any guidelines by which decisions are made. If ANA is to once again become a viable federal agency which is respected for its integrity, Congress must take a more active role in the development of its funding policies and criteria. Some

of the specific ways in which the discretionary abuses might be curbed include:

- Removing the position of the Commissioner from political appointee to civil service.
- Establishing a Congressionally mandated oversight committee to review all policy changes and grant awards, similar to the Department of Education's National Advisory Council on Indian Education.
- Setting award cycles for successful grantees at a minimum of 3 years to provide continuity and a realistic time frame to achieve community goals.
- Requiring that **all** policy changes and new funding directions be reviewed and approved by Congress or the aforementioned proposed advisory group.
- Having all grant awards ranked and graded according to some computer assisted evaluation tool, similar to that employed by the Department of Education, so that political favortism and cronyism can be once and for all eliminated.
- Reinstating the appeal process for unsuccessful applicants in order to reduce the probability of applicants being denied funding based on un-published evaluation criteria.

2) The second issue that the National Urban Indian Council would like to see addressed by Congress is the **disproportionate amount of ANA resources going to urban**

and off-reservation communities. The Council has been before this Committee and its counterpart in the House of Representatives on many occasions. Each time we have advocated for additional resources for off-reservation communities. And each time the Administration sends in their officials who solemnly promise to devote more resources to urban and rural grantees. And each new fiscal year brings another decrease in the total amount of ANA monies going to these off-reservation communities. This is despite the fact that, as we stated in the introduction of our testimony, over 50% of the American Indian and Alaska Native population resides off the reservation in rural and urban areas. In testimony presented to this Committee in March of 1984, NUIC estimated that approximately 15.7% of ANA resources were going to off-reservation areas. Today, based on data provided by ANA, that figure has decreased to approximately 7%. Again, the present Administration cannot be held solely responsible for this shocking development. Since 1980 the overall percentage of ANA's budget flowing to urban and rural communities, as well as the absolute number of urban grantees, has declined drastically. Each time Congress holds hearings various Administration's are queried as to their plans to rectify this situation. And each time they promise they will "do something". NUIC cannot accept the position

that urban grantees simply don't submit competitive proposals as the present Administration has stated. Further, we believe that fault lies with inconsistent and misapplied funding policies, coupled with a panel review process that is a farce at best. We can no longer believe that any Administration, regardless of their "political persuasion", can alter this unfair and disproportionate funding allocation. Congress must act by **setting minimum funding levels** for each of ANA's four constituencies, (federally recognized Indian Tribes and Alaska Natives, urban and rural organizations, non-federally recognized Indian tribes, and Native Hawaiians) in accordance with their respective populations.

In addition to the aforementioned specific amendments, others suggestions that NUIC has received are as follows:

- Awarding grants to tribes and organizations on a formula basis in accordance to population.
- Setting minimum funding levels ($75,000) for grantees.
- Providing qualitative training and technical assistance (i.e. outside the agency) for current and potential urban grantees.

3) The final issue which the National Urban Indian Council would address is that of ANA's overall funding

level. **Since 1978, ANA's budget has remained relatively constant.** This is despite the fact that the country, in general, has suffered from rampant inflation during many of the interim years. To compensate for this discrepancy, NUIC recommends that any future version of the Native American Programs Act include a minimum funding level for the agency that is at least $60 million, with future years' increases tied to some economic indicator, such as the rate of inflation, average increase in the federal budget, etc. This action would restore ANA to its original level of effort, as well as allow it to more adequately address the needs of its constituency. Whether or not the Senate Select Committee on Indian Affairs accepts the National Urban Indian Council's suggestion for funding levels is not as important as is action to maintain the agency at some appropriations floor. **We strongly urge you to consider setting a minimum level of funding for ANA in its authorizing legislation, and link its growth to an acceptable economic indicator.**

The National Urban Indian Council would like to point out that the Committee's counterpart in the House of Representatives has been convinced that many of our concerns must be addressed through legislative amendment. Although it is sad to think that Congress must tell the Adminstration how to run such a small program like ANA, it must be done. While the amendments under

consideration in the House are, in our opinion, not restrictive enough, they are a step in the right direction. S.1991, in its present form, is not adequate. It maintains the status quo, and we cannot afford to do that any longer. To do so would mean ANA would continue to be ineffective, impotent and grossly mismanaged.

As members of this Committee are well aware, political realities can often times wear down even the most seasoned veteran, particularly when one sees an agency, like ANA, become weakened and misguided. However, the National Urban Indian Council continues to be a strong advocate for and harsh critic of the Administration for Native Americans in due season. It is our role and responsibility to our constituency. It is no secret that ANA has problems. But these can be rectified by a Congress willing to act. ANA was once a valuable resource for Indian communities nationwide and can once again return to its previous stature as an innovative and effective source of funding. For its part, NUIC stands ready and willing to work with Congress to restore ANA to a responsive and responsible agency.

This concludes the National Urban Indian Council's formal testimony before the Senate Select Committee on Indian Affairs. We would like to thank the members of the Committee for this opportunity, and indicate our interest in providing additional information if needed.

PREPARED STATEMENT OF CALVIN LAY

Mr. Chairman, distinguished Committee members, my name is Calvin Lay, Secretary of the United South and Eastern Tribes, Inc. and also President of the Seneca Nation of New York. USET is pleased to have this opportunity to share our views with you on S. 1991, legislation to reauthorize the Native American Programs Act of 1974.

The United South and Eastern Tribes, (USET) is an inter-tribal organization representing sixteen federally recognized tribes in the Eastern Unites States.

Virtually all of the USET members tribes have been recipients of Social and Economic Development grants from the Administration for Native Americans (ANA) over the course of the past three years. Currently nine of our member tribes as well as the USET organization itself are ANA grantees. Additionally, most of our member tribes have benefitted from critically needed legal assistance provided by the Native American Rights Fund which is itself funded in part by technical assistance financial grants provided by ANA.

To mention but a few, the finanical assistance grants provided by the Native American Programs Act have:

(1) enabled many of the USET member tribes to conduct the essential historical and legal research necessary to successfully petition for federal recognition via the Federal Acknowledgement Process and to successfully press for a redress of their respective land claims.

(2) helped many of our tribes develop very viable and successful tribal enterprises and joint ventures such as the Shape video cassette factory at Indian Island, Maine and the wire harness and greeting card plants at Choctaw;

(3) helped most of our tribes develop or improve and strengthen the essential governance and management documents, structures and procedures of our tribal governments and enterprises which are essential to stable governments which, in turn, are essential for stable social and economic development; and

(4) assisted many of our member tribes to effectively protect and manage our natural resources which are essential to the very existence of our tribes and our Indian people.

Of all of the federal agencies administering Indian programs, ANA comes closest to carrying out the federal policy of fostering and encouraging Indian self-determination, social and economic self-sufficiency and promoting decision making at the local level.

It is one of the most successful and cost effective federal programs in existence. The policy of the federal government toward the Indian tribes has fluctuated over the past 300 years from federal primacy and protection of Indians, to westward removal and reservation consolidation, to assimilation and federal paternalism and subversion, to termination of tribal governments and finally to the current policy of Indian self-determination.

The policy of Indian self-determination was offically pronounced in 1970 by President Nixon and energetically lauded and embraced by Indian tribes througout the country. Simply stated, Indian self-determination meant that the federal government would foster and allow Indian tribes to have more local control and decision-making over programs, policies and issues that affect them. Since 1970, each Administration and Congress, through enactment of the Indian Self-Determination Act of 1975 and other Acts, has endorsed the policy of Indian self-determination. The Reagan Administration has also pledged to support this policy.

However, despite this policy and the subsequent legislative measures enacted to establish mechanisms and enforceable rights to carry out this policy of Indian self-determination, tribes, for the most part, continue to encounter an interlocking circle of bureaucratic paternalism and control, dependency and exploitation.

In addition to the recalcitrant attitude of many federal officials who have refused and forfeited against relinquishing their paternalistic control over Indian programs and self-government, there is, we believe, another critical factor which has prevented realization of Indian self-determination. This factor is that Indian tribes after decades of paternalism, exploitation and resulting dependency have never been afforded the opportunity to develop their governmental capacities to fully and effectively assert and exercise their self-determination in a manner and to the extent that could lead to economic and social self-sufficiency for many tribes.

Indian tribes are, in many respects, like under-developed countries. Much of our land, water, and other renewable and non-renewable resources have been developed and/ or exploited in the past. Lessons of the past teach us that, without the capacity of the tribal government to plan, establish long-term goals, intelligently evaluate, allocate and manage, economic and social resource exploitation occurs with very little, if any, long-term economic or social self-sufficiency for Indian people. So, in a very critical respect, Indian self-determination has been a policy and a right without the viable governmental capabilities to exercise it.

Most, if not all, of the USET member tribes are facing an important crossroad in terms of making critical planning and management decisions concerning whether and in what manner to develop their resources and how to allocate and develop their economic and social resources to ensure long-term self-sufficiency rather than to continue to be dependent on social programs.

Fortunately, one agency, ANA, has established social and economic self-sufficiency within the framework of Indian self-determination as its major policy. Since 1978 ANA has changed its focus from providing welfare and social service funding to providing funding for capacity-building of Indian tribes throughout the country. Without this opportuntiy Indian tribal governments will not break the circle of paternalism, exploitation and dependency. They will neither be able to fully realize self-determination nor self-sufficiency but rather will remain dependent in the long run on federal social programs.

The capacity-building assistance afforded by the ANA social and economic development initiative affords tribes the opportunity to assume self-determination and develop the institutional organization's plans and mechanisms needed by any government to function efficiently and effectively.

Development of tribal capabilities will, we feel, result in better and more cost-effective managment of both federal and private revenues.

ANA has allocated very limited resources in a way which produces ongoing and lasting effects by recognizing that governmental sovereignty, cultural-social self-determination and economic self-sufficiency are all inter-dependent and collectively dependent upon the ability of tribal governments to govern in an integrated coordinated manner.

ANA has also been instrumental in coordinating inter- and intra-agency funding agreements which have both maximized effective program initiatives and reduced duplication and waste between agencies.

The major problem with the Native American Programs Act has not been in its design or objectives. It has been one of inadequate funding. From FY '1975 through FY ' 1981 ANA was funded at a static figure of $33.8 million annually. In FY '1982, funding was cut to $28 million In FY '1983, '84, '85 and '86 funding has been at a level of $29 million (not accounting for the Gramm-Rudmann-Holling cut in FY '1986). The Administration has proposed a further cut to $27.3 million for FY '1987 in addition to whatever the Gramm-Rudman-Hollings reduction calculates out to be for FY '1987.

For the past several years, ANA has received competitive grant applications requesting assistance approaching $60 million a year. Currently, less than 35 percent of the grant applications are funded and most of these are funded at levels significantly below what was requested and needed by the grantees.

The Administration now proposes that the Act be amended to limit the authorization for appropriations to $27.3 million for FY '1987 -- thus ensuring that the budget for ANA is cut and eliminating all technical assistance and pilot and demonstration funding under the Act. We adamantly oppose this proposed limitation on funding and request this Committee to reject the Administration's request.

At the same time the Administration wants to severely limit the Act's authorization, they proposed that the Act be amended to permit for profit entities to participate on a competitive basis in the program. While it is our understanding that the purpose of this proposed change is to permit Alaskan Native villages, Regional Corporations and tribal enterprises to participate, we would point out that this would dramatically increase the entities eligible to participate and compete for funding from an agency which is already critically underfunded. The ANA program already has an unmet need of over $33 million. We would urge the members of this Committee who are also on the Appropriations Committee to not support the proposed broadening of the Act to include such entities unless they are prepared to support a proportionate increase in funding to meet this need.

We would also recommend that the Act be specifically amended to provide for Indian preference in employment within the agency which is currently applicable at both the BIA and IHS. And further, that the Act reference and provide for Indian preference in contracting pursuant to the Indian Self-Determination Act and Bui Indian Act.

We will be happy to supply this Committee with the proposed technical amendments necessary to implement our recommendations. Because of the already demonstrated success of the ANA program we strongly urge and recommend that the Native American Programs Act be reauthorized for an additional four years and amended in accordance with our recommendations contained herein.

On behalf of the member tribes of USET, I thank you for the opportunity to present our views on S. 1991 today.

Council of Energy Resource Tribes
1580 Logan Street - Suite 400
Denver, Colorado 80203-1941
(303) 832-6600

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April 23, 1988

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Nez Perce
Melvin R. Sampson
Treasurer
Yakima

Acoma Pueblo
Cherokee
Jicarilla Apache
Oglala Sioux
Salish-Kootenai

Board Members
Blackfeet
Chemehuevi
Cheyenne Arapaho
Cheyenne River Sioux
Chippewa Cree
Coeur d'Alene
Crow
Fort Belknap
Fort Berthold
Fort Peck
Hopi
Hualapai
Jemez Pueblo
Kalispel
Laguna Pueblo
Muckleshoot
Northern Cheyenne
Paiute
Ponca
Rosebud Sioux
Santa Ana Pueblo
Saginaw Chippewa
Seminole of Florida
Shoshone - Bannock
Southern Ute
Spokane
Standing Rock Sioux
Tule River
Turtle Mountain Chippewa
Umatilla
Ute
Walker River
Zia Pueblo

Executive Director
A. David Lester

PREPARED STATEMENT OF DAVID LESTER

Dear Senator Andrews:

These written comments are intended to supplement the oral testimony of A. David Lester, Executive Director of the Council of Energy Resource Tribes, in support of S. 1981, the reauthorization of the Native American Programs Act.

FORMALIZATION OF THE PEER REVIEW PROCEDURE

The Council of Energy Resource Tribes views the requirement that the Commissioner of the Administration for Native Americans (ANA) formalize the peer review of grant application procedures and submit the results of the peer review to the Congress to be a serious breach of the doctrine of separation of powers. I am sure that others more learned than I in the intricacies of constitutional and administrative law will speak to this issue. We would prefer to address more practical and more personal concerns.

From the perspective of an ANA grantee, the proposed amendment to the Act that requires ANA to make available to the Congress, the grant application review procedures and the results and justification thereof, will prove harmful to open and candid communication between the agency and grantees and will result in increased administrative costs to the agency and a concomitant decrease in effectiveness in servicing grantee organizations.

Frankly, we feel that ANA has been penalized for instituting procedures to help the Commissioner of ANA carry out his discretionary responsibilities. The review procedures are helpful not only to the agency but to this grantee organization. The comments and recommendations of the panel reviewers have helped this organization improve its operations and programs. We fear that the proposed requirements will prove onerous and expensive and will cause the agency to adopt other methods to protect against arbitrary and capricious or illegal actions. The grantee organizations will bear the brunt of this action.

Our contention is that adequate safeguards have been instituted to protect any constitutionally protected interest of applicant organizations, if indeed there is such an interest. No court has ever held that an applicant for a discretionary grant has a constitutionally protected interest in the grant award. The added fiscal and administrative burdens that will surely result will ultimately redound to the grantee organizations.

For these reasons, we recommend that the proposed amendments be rejected. If the Congress perceives the Administration for Native Americans to be unresponsive to Congressional policies, we suggest that more effective and less costly procedures are available. For example, the Congress could require that ANA submit an annual report to the Congress which outlines the accomplishments and activities of the past year and which demonstrates how ANA sponsored activities or programs comported with Congressional policy.

The bottom line for us is that the House amendment will detract from the efforts of Indian tribes and Indian organizations, such as CERT, to achieve economic and social self-sufficiency and hinder progress toward the Congressional policy of Indian self-determination.

FOR-PROFIT NATIVE AMERICAN ORGANIZATIONS

We have previously pointed out that in the abstract, inclusion of for-profit Native American organizations as eligible entities, makes sense. These for-profit organizations are staffed with some of the best and brightest Indian and Native American leaders and their skills and talents should be marshalled in the effort to promote Native American economic and social self-sufficiency. The problem we see with the implementation of the concept is that the inclusion of for-profit organizations as eligible entities cannot but detract from ANA's efforts to promote the Indian tribal governance and sovereignty aspects of its mission.

We suggest as the solution to this dilemma, that the Congress enact a separate authority under the Native American Programs Act which will authorize, on a pilot basis, programs for private for-profit organizations. We also suggest that the Congress appropriate such sums as shall be deemed necessary to carry out the purposes of the pilot program.

FIRST YEAR CAP OF $27.3 MILLION

Our view is that the Administration is attempting to accomplish through the authorization route what it failed to accomplish through the proposed recission of the $1.7 million of ANA's Technical Assistance program. We strongly objected to the recission request and strongly oppose this attempt to reduce the efforts of what has been identified as the preeminent federal agency in Indian economic development.

INDIAN PREFERENCE

There seem to be no impediments to ANA using Indian preference in any procurement related to the agency's Indian mission. We suggest that ANA continue to fully exercise these authorities. Indian tribes and tribal organizations may adopt Indian preference procedures in employment and contracting under the Indian exemption to title VII of the Civil Rights Act. The purposes of the exemption, to promote Indian economic development, apply to other Indian grantees as well and such grantees should also be permitted to adopt Indian preference procedures.

Thank you for this opportunity to further explain our views. We are developing proposed technical language and will be transmitting them to the Committee through Karl Funke, our Washington, D. C., representative.

Sincerely,

A. David Lester
Executive Director

ADL/ga

PREPARED STATEMENT OF THE NAVAJO NATION

Mr. Chairman, Members of the Committee, thank you for this opportunity to present the views of the Navajo Nation on S.1991, a bill extending programs under the Native American Programs Act of 1974. The Navajo Nation strongly supports the reauthorization of this Act.

Since 1974, the Act has offered a flexible program designed to promote the self-determination and self-sufficiency of Indian tribes, Alaskan Natives and Native Hawaiians. The Navajo Nation has benefited from grants awarded to the tribe as well as technical assistance received from other ANA grantees.

For example: the Navajo Nation is currently the recipient of ANA grant funds which are being utilized to develop a tribal land and records office and plan for the comprehensive return of the Tribal government. With respect to the land records office, it is important to note that the Navajo Nation comprises over 16 million acres of trust and fee lands. There has never been a concerted effort by either the federal or Tribal government to systematically organize all of the titles, permits, licenses, and use agreements pertaining to Navajo lands. As a result there are often conflicting uses for the same parcel of land and land use planning has been a practical impossibility. With the Assistance of ANA, we have now embarked on a project to organize all of our land records and begin the process of land use planning.

Similarly, the present government of the Navajo Nation stems from the form of government imposed by the Secretary of the Interior in 1936. The Navajo people have never had the opportunity to develop, ratify, and implement their own form of government. With the assistance of ANA, efforts are now underway for a thorough assessment of our present form of government and the design of recommendations for change. Ultimately, the Navajo people will finally be asked to choose their own form of government and to implement it.

The Navajo Nation would like to comment on a proposed amendment to allow for-profit organizations into the competition for grant awards.

The Navajo Nation has no problem with the reasons for including for-profit entities into the Act. The arguments contained in Commissioner Engles' testimony are sound. However, unless a concomitant increase in appropriations will follow, the Navajo Nation cannot support this provision. Moreover, certain grants best left to tribes, such as strengthening tribal governments, would be reduced as a result of increased competition. We urge this Committee not to include for-profit entities unless there is an increase in appropriations.

Finally, a comment on the House companion measure, H.R.3247. One of the amendments passed by the House would require ANA to publish in the Federal Register, "all changes in general statements of policy, application requirements or priorities, other grantee or program requirements, as well as any changes in ANA organization, procedure, or practice." The Navajo Nation supports this amendment. We disagree with Commissioner Engles' testimony that this requirement would prove burdensome. Rather, the House amendment would be consistent with ANA's testimony which states that their top priority is to involve tribes and tribal organizations in program policy and decision making. We urge the Committee to support this provision.

Thank you for this opportunity to testify in support of S.1991.

PREPARED STATEMENT OF SUSAN SHOWN HARJO
EXECUTIVE DIRECTOR, NATIONAL CONGRESS OF AMERICAN INDIANS

Mr. Chairman and Members of the Committee, thank you for holding this hearing on S. 1991, legislation reauthorizing the Administration for Native Americans for fiscal years 1987 through 1990. The National Congress of American Indians (NCAI) is the nation's oldest and largest national membership organization serving American Indian and Alaska Native governments and people, and we include in our membership many of the same constituencies as are served by the Administration for Native Americans -- federally recognized tribes, non-federally recognized tribes and urban Indian organizations.

There does not appear to be much controversy surrounding the reauthorization of the Administration for Native Americans. We have put behind us, fortunately, the now-abandoned Administration proposals that ANA be transferred to the Bureau of Indian Affairs and that urban organizations and non-federally recognized tribes be excluded from ANA eligibility. The Administration has not proposed to make huge cuts in ANA appropriations, but has proposed FY'87 funding of $27 million, down from $28 million in FY'86 (after Gramm-Rudman sequestration). In addition, the Administration had requested a $2 million FY'86 rescission.

NCAI strongly supports the reauthorization of ANA. ANA serves constituencies and purposes not duplicated by other agencies. One example of ANA's importance is their grants to tribes to develop various types of codes, i.e., business, environmental and judicial. One of the best defenses tribal governments have against state and federal violations against their sovereignty is to have well developed

codes. We constantly see proposals which would encroach on tribal sovereignty, i.e., efforts to undermine treaty hunting and fishing rights as evidenced by the recent unsuccessful proposal to bring tribes under the Endangered Species Act, Wisconsin's actions designed to regulate tribal hunting, and states' opposition to tribal gaming operations. Lack of tribal regulations make tribes more vulnerable to these types of assaults on self-government. The Bureau of Indian Affairs' Judicial Services office used to assist tribes in the development of codes, but elimination of all the Area Judicial Services offices has effectively eliminated this assistance. This makes ANA's role in this area critical.

There is an increasing need for tribes to develop environmental plans and codes, and this is an area where ANA must continue to be of assistance. As you may know, tribal governments have been ignored in major environmental legislation -- Clean Water Act, Safe Drinking Water Act, Superfund and Clean Air Act. Because states, in most cases, do not have jurisdiction in Indian country, people living on the approximately 50 million acres of Indian land are not afforded the protection or benefits of these laws. Indian tribes have had no authority to apply for grants and technical assistance under those laws in order to do the environmental assessments and take other actions so that they can be adequately involved in protecting their environments and natural resources.

The Clean Water, Safe Drinking Water and Superfund laws are being reauthorized this year. NCAI, the Navajo Nation Office and others have been active in these reauthorizations in getting the laws amended to include tribal governments. We have met with considerable success.

Conferees are meeting on the Clean Water, Safe Drinking Water and Superfund legislation. All indications are that the new laws will, among other things, allow tribes to regulate their own drinking water and other water resources, will require surveys of drinking water and sewage treatment systems, and will allow tribes to nominate sites for Superfund cleanup and enter into agreements to clean up toxic waste sites. ANA's ability to make grants to tribes for the development of regulatory codes will be very important to tribes' abilities to take advantage of the new provisions in the Clean Water, Safe Drinking Water and Superfund laws. Next year, the Clean Air Act will hopefully be reauthorized, and efforts will be made to include Indian language in that Act. Development of codes dealing with natural resources are an integral part of strengthened tribal governments, one of the objectives of the Administration for Native Americans.

We would like to make note of the importance to non-federally recognized tribes of ANA grants. Non-federally recognized tribes have very few resources. For those tribes attempting to gain federal recognition, the process is very detailed and time-consuming and ANA grants to assist in this endeavor are crucial.

The June, 1985 Social and Economics Development Strategies (SEDS) report published by ANA notes that they have undertaken a joint effort with the Administration for Children, Youth and Families to improve child welfare services to Indian children and their families. There needs to be more coordinated efforts among various tribal, federal, state and private programs. There is often talk, but little action or followthrough on these cooperative efforts. We commend ANA for this undertaking, and are eager to see the outcome of the new cooperative endeavor.

Finally, we would like to comment on the lack of an appeal process within ANA. Last year's House committee report (98-740) regarding ANA reauthorization requested ANA to develop within six months a manual rearding an appeal process. This has not been done, and we feel the Subcommittee should pursue this with ANA. As you know there has been, over the years, considerable complaint about the lack of an ANA appeal process for new grant applicants. And the appeal process for applicants who are current ANA grantees is not a very effective one, as the appeal is basically to the Commissioner. The fact that ANA now awards funds three times a year, and that applicants are encouraged to reapply in the next funding cycle may alleviate some pressure for appeals. This does not, however, take the place of an appeal. If an applicant feels he or she has a very good application which fits ANA criteria and advice, and the application is denied, there should be a written appeal process which can be followed.

On the issue of encouraging applicants whose proposals have been denied to reapply, we commend ANA for its increased efforts in providing assistance in developing applications. There have been number of workshops to assist applicants, and most recently there was a workshop to assist urban applicants.

Again, Mr. Chairman, thank you for giving us this opportunity to comment on the reauthorization of the Administration for Native Americans. We very strongly support ANA and urge its reauthorization.

PREPARED STATEMENT OF MICHAEL TANCAYO, JR, CHAIRMAN OF THE BOARD OF DIRECTORS OF ALU LIKE, INCORPORATED

Mr. Chairman, members of the Select Committee on Indian Affairs, on behalf of the ALU LIKE Board of Directors, we extend our aloha and appreciation for the opportunity to present testimony on the Native American Programs Act.

I am Michael Tancayo, Jr., chairman of the Board of Directors of ALU LIKE, Incorporated, a private non-profit community-based statewide organization with over 15,000 members which has as a primary public purpose that of assisting Hawaiian natives to develop economic and social self-sufficiency.

ALU LIKE is over ten years old and is funded from several sources - including the Administration for Native Americans (ANA) of the U.S. Dept. of Health and Human Services, the Division of Indian and Native American Programs (DINAP) of the U.S. Department of Labor, the Office of Educational Research and Improvements and the Office of Vocational and Adult Education of the U.S. Department of Education, the State of Hawaii, local counties, foundations and individual contributions.

Based upon ALU LIKE's experiences since 1975 as the first Hawaiian grantee nationally and our knowledge of other ANA grantee success stories, ALU LIKE strongly supports the reauthorization of the Native American Programs Act. Let me recount the reasons for ALU LIKE's position.

1. **The Administration for Native Americans serves a unique agency function of addressing all Native Americans, whether we be rural reservation and non-reservation or urban American Indians, or Alaskan natives or Hawaiian natives in urban and rural communities. Also, because of the breadth of its assistance and policies the Administration for Native Americans is possibly the only source of innovative and creative funds for Native Americans.**

- Through an interagency agreement between the Adminstration for Native Americans (ANA) and the National Institute for Mental Health (NIMH), ALU LIKE piloted the Hale Ola O Ho'opakolea project in Waianae which combined efforts of the State Mental Health Division, University of Hawaii Department of Psychiatry, human service agencies and community representatives. Hale Ola has identified over 100 community care givers/natural healers and has provided direct individual counseling assistance to over 800 Waianae Coast residents. Hale Ola has been incorporated by a community board, no longer receives ANA funds, and receives State Mental Health Division and private funds.
- Through an ANA and NIMH interagency agreement the Most-In-Need (MIN) Project on Moloka'i was initiated and became recognized as a national model for similar projects across the country. The MIN project focused on youth 12-14 years of age for whom there were gaps in services and coordinated activities addressing growing pre-delinquency problems. Changes were initiated at Moloka'i School, and Moloka'i Youth Center was reorganized so that approximately 1,000 youth are being served annually. An additional outcome has been the development of a mental health project for families currently funded by the State Mental Health Division.
- In collaboration with the State Department of Education and the Haleiwa Elementary School faculty, parents and community association, ALU LIKE with ESAA funds piloted the Halau O Haleiwa project which provided language arts to K-3 youngsters using Hawaiian concepts. It was so successful in raising stanine levels of youngsters from 1 and 2 to 3 and 4 that after the second year of a 3-year project the State Department of Education's central school district took over the project and other school districts studied the model for adaptation.
- In 1985, ALU LIKE's Native Hawaiian Library Services and Vocational Education Program began as a result of statewide public and private cooperative efforts assisted by the ALU LIKE ANA governance projects. The Library Services Program currently is providing 13 projects located throughout the state - many in rural areas, and the Vocational Education Program has 20 projects in process.

2. **The Administration for Native Americans has enabled Native American Indians, Alaskan natives and Hawaiian natives to have a primary role in identifying and designing programs and strategies to address the problems of our communities.**
   - o ANA funding of ALU LIKE, Incorporated is responsible for the first federal assessment of the needs of Hawaiians, initial plans for action and the implementation of the plans over the past several years. At this time, ALU LIKE's research and data collection about Hawaiians is the most comprehensive in the State. (Appendix A lists some of the Hawaiian native problems for which ANA and other assistance has been needed.)
   - o ANA funding of ALU LIKE, Incorporated is responsible for establishing a network of our Island Centers on each of the five major islands through which local Hawaiian community priorities are addressed appropriately and identified needs can be resolved without duplication of existing services for approximately 179,000 Hawaiians.

3. **The Administration for Native American funds programs to strengthen Native American organizations which foster economic independence rather than dependence and productivity through job creation, business assistance and related programs resulting in social as well as economic self-sufficiency of Native Americans.**
   - o ALU LIKE has assisted in the employment and training of over 9,000 Hawaiians and other Native Americans since 1978. Over the past few years ALU LIKE has done this at a cost below the national average and at an unsubsidized placement rate above the national average. ANA's assistance provided ALU LIKE the capacity to pursue and obtain resources to do this.
   - o ALU LIKE has assisted over 350 potential and existing entrepreneurs with information and/or technical assistance both directly and jointly with other public and private sector entities. ANA's resources can help Hawaiians to become active participants in the free enterprise system.
   - o ALU LIKE has and is serving as a catalyst for economic development plans and activities by the State Department of Planning and Economic Development, the

County of Maui and other entities for implementing joint ventures on Moloka'i. A cooling facility proposed four years ago by ALU LIKE to enable expansion of economic opportunities on Molokai will become a reality in 1986.

4. **The Administration for Native Americans has successfully leveraged federal funds to expand resources available to safeguard Native American well-being and to empower Native Americans to influence changes in the public and private sector which impact Native Americans.**

   o ALU LIKE has worked with approximately 714 public and private agencies statewide in facilitating projects and activities focused upon the identified needs of Hawaiians.

   o Memorands of Understanding, letters confirming relationships of mutual support and regular meetings of administrators of pub'ic and private agencies as well as Hawaiian agencies (Hawaii Services Institutions and Agencies) have resulted in jointly sponsored activities, such as:

      - Entrepreneurship training workshops
      - Native Hawaiian ancestry verification computer programming project
      - Hawaiian Studies Conference and follow up activities
      - Hawaiian Health Research Consortium Report
      - First Statewide Kupuna (Elders) Conference conducted totally in Hawaiian
      - Approximately 190 projects addressing identified needs
      - Community forums on public issues

   o As one example, on the island of Moloka'i whose population is about 60% Hawaiian natives, where the unemployment average is approximately 20%, where the cost of electricity is the highest in the nation and where economic conditions are severe, ALU LIKE - Moloka'i Island Center has leveraged $4 in local public and private resources for every $1 of ANA funds received.

   The results:

      - over 1000 youth are served through the Moloka'i Youth Center funded by the county of Maui and other private resources
      - more than 147 children and their families have been assisted in a state-funded ALU LIKE mental health project arising out of the Most-In-Need project.
      - approximately 729 participants have been provided employment and/or training by ALU LIKE in about 281 businesses and local agencies.

- approximately 40 agencies comprise an Ohana (family) of agencies which collaborate in joint programs and cooperatively plan together to make maximum use of resources while avoiding duplication and gaps in services.

o Approximately 190 projects have been implemented which involved collaborative efforts and combined resources with other public and private sector partners on the five major islands. Additional resources are needed to address more of the identified needs in education, health, human services and economic development.

ALU LIKE's accomplishments in addressing the needs of Hawaiian natives, which we highlight briefly, have been due in large measure to the use of and the leveraging of funds from the Administration for Native Americans through the Native American Programs Act.

o More than 9000 Hawaiian natives since 1978 have been provided employment and training assistance by ALU LIKE at an average cost below the national average and at an unsubsidized placement rate above the national average. (Note: as of March 31, 1986, ALU LIKE's average cost per unsubsidized placement participant was $1,675 and the average unsubsidized placement rate was80%.)

o Over 350 Hawaiian native potential and existing entrepreneurs have been provided information or business assistance advice and training through ALU LIKE directly or jointly through private and public sector linkages. (Note: Although Hawaiians comprise 19% of the State population, in 1980 only 4-6% of minority business enterprises in Hawaii were owned by Hawaiians.)

o Approximately 190 projects of varying sizes and other activities have been initiated to address identified needs in cooperation with 714 public and private agencies in the State.

o ALU LIKE's established credibility and accountability has enabled it to assist local community groups and individuals to obtain resources from the public and private sector to address some of the identified needs.

o Through ALU LIKE's example Hawaiian natives have demonstrated that with training and technical assistance the cultural strengths of our native peoples can be integrated with management by objective operations to successfully deliver services and address community needs. By ALU LIKE's success we have helped to offset long existing negative stereotyping of Hawaiians.

The Administration for Native Americans has been instrumental in assisting in the initial evolution toward self-sufficiency for Hawaiian natives. These years of transition ahead for Hawaiians are crucial and ANA will make the difference.

The failure of Congress to reauthorize the Native American Programs Act will result in destroying the best means of addressing needs of all Native Americans through enabling Native Americans to develop the skills and strength to help themselves from any dependency to being productive partners in building a great nation.

Congress in its wisdom created and reauthorized the Native American Program Act with successful outcomes. We urge you to reauthorize the measure and to maintain and even expand appropriations to support the Administration for Native Americans until Native American communities have successfully implemented the Administration for Native Americans' Social and Economic Development Strategies (SEDS).

We appreciate the opportunity to present this statement in support of the reauthorization of the Native American Programs Act.

Mahalo nui loe (Thank you very much).

APPENDIX A

DATA ON HAWAIIANS

There are approximately 179,300 Hawaiians or 19% of the population in the State of Hawaii

- Of this number 45.3% are 19 years of age and younger. Median age is 22.8 years compared with 28.4 for the State
- Of the 463,000 adults in the State, 14% are Hawaiians
- Of the 63,000 Hawaiian adult workforce, approximately 10% are unemployed (nearly double the State level)
- Of the Hawaiian households, 39% have 5 or more persons and 35% do not have income sufficient for their family size
- Of the Hawaiian families, 15.1% are living below poverty level compared to 7.8% of total families in the State; of those in poverty in the State, more than 40% are Hawaiian; approximately 24% are on welfare
- 46% of adult inmates are Hawaiian

The life span of Hawaiians is nearly 7 years less than that of the total population in the State

- Hawaiians are among those with the highest incidence of cancer in the nation
- Hawaiians have the highest incidence of chronic heart trouble and diabetes in the State
- Hawaiians rank second in the State in incidences of circulatory diseases
- More than 2% of our elderly are not covered by any health or medical insurance
- Hawaiians account for 22.3% of alcohol and drug abusers and only 3.6% receive treatment
- Of the males in the State aged 15-24 who are suicides, 31% are Hawaiians

Of the 162,000 public school students in the State, 34,000 (21%) are Hawaiian

- Of the 8,000 school teachers, only 6% are Hawaiian
- Of the 224 public schools, 25 have enrollments of 40% or more Hawaiian
- Of the 5,000 students in those intermediate/high schools, 33% have been absent 20 days or more a year

- Of the 34,000 Hawaiian students in public schools, approximately 12,900 (34-38%) are in stanines 1-3 (equal to 0-22 %ile) for SAT reading compared with 24% for the State

- Of learning disabled youth in the public schools, 1,236 or 76.5% are Hawaiian

- Of Hawaiians age 18 and older, 30% have not finished high school compared to 16% of the State population

- Of the college students in the State, Hawaiians comprise 11% (community college); 4% (University of Hawaii-Manoa)

- Only 7% of Hawaiians over 18 years have completed 4 or more years of college compared to 16% of the State population

Hawaiian youth aged 15-19 comprised about 13% of the Hawaiian population

- Of these 22,800 youth, 55% are male and 45% are female

- Of these males, 33% of those looking for work who have not finished high school are unemployed

- Of these females, 55% of those looking for work who have not finished high school are unemployed

- Of the youth in correctional institutions, 66% are Hawaiians

- Of all Hawaiian children, 16% are living in households with female heads compared with 7% of all children in the State

Elderly Hawaiians aged 65 and older comprise about 3% of the total Hawaiian population

- Of these 5,600 elderly Hawaiians, 46% are male and 54% are females

- Of these elderly, 8% are not registered for Medicare and 2% lack both Medicare and private health insurance

- Of the total aged 65 and older population, Hawaiian elderly have the youngest median age of 67 compared to 74 years for the State

PREPARED STATEMENT OF THE INDIAN DEVELOPMENT DISTRICT OF ARIZONA, INC.

The Indian Development District of Arizona, Inc., (IDDA), a consortium of eleven Arizona and California Indian tribes, wishes to express its concern over the reauthorization of the Administration for Native Americans (ANA). Although we wholeheartedly endorse reauthorization, our concerns are directly related to the policy-making and program management of the current administration of ANA.

For the past three years, IDDA has successfully competed for a total of $296,028 of ANA funds to implement nineteen (19) social, economic, and governance development projects on the Mohave-Apache; Kaibab-Paiute; Tonto Apache; Yavapai-Apache and Yavapai-Prescott Indian reservations in Arizona. On behalf of these participating tribes and other IDDA member tribes, we have prepared this summary for the members of the United States Senate.

The mission of ANA, mandated by the Native American Programs Act of 1974, is to promote the economic and social self-sufficiency of Native Americans. To achieve this mission, ANA established the following three purposes:

1) Governance development: To help develop or strengthen tribal governments and Native American institutions and local leadership to assure local control and decision making over community resources;

2) Economic Development: To foster the development of stable, diversified local economies and activities which provide jobs, promote economic well-being, and reduce dependency o human services programs; and,

3) Social development: To support local access to, and coordination of, services and programs which safeguard the health and well-being of people, and which are essential to a thriving self-sufficient community.

IDDA has been instrumental in assisting its member tribes in the development and implementation of social and economic development strategies (SEDS) which parallel the above listed ANA's three-fold objectives. Therefore, it is our belief that federal funds from this agency are needed to continue to provide essential technical planning assistance in social and economic development.

Since most IDDA member tribes are small in population and land mass, the benefits and intent of various state and federal legislation for economic development and self-sufficiency would have very little impact if each member tribe stood alone. But with the combination of effort, as a consortium, the eleven tribes strengthened their position to acquire technical assistance and administrative capabilities to implement a variety of projects and grants programs designed for planning and development of its resources. Thus, it is imperative for IDDA to prepare competitive applications to secure funds for social and economic development projects on the reservations regardless of the size of the competition.

During the Fiscal Year 1985, IDDA has encountered problems with the current administration of ANA. These problems are as follows:

1) Inconsistencies in policy-making (e.g., types of fundable projects);
2) Lack of proper management regarding the debriefing process; and,
3) Lack of communication and/or miscommunication with the regional Program Director.

A combination of these deficiencies repeatedly performed during the past program year has initiated our testimonial report which also requests policy changes in the administration to ensure proper program management. We support the intent of ANA which addresses the needs of the social and economic development on the Indian reservations and we hereby advocate reauthorization. As recipient of ANA grants, we request that the above deficiencies be corrected upon reauthorization of the Administration for Native Americans.

CENTRAL COUNCIL
tlingit and haida indian tribes of alaska
320 West Willoughby Avenue • Suite 300
Juneau, Alaska 99801

May 1, 1986

Honorable Mark Andrews
Chairman
Senate Select Committee on
Indian Affairs
838 Hart Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

Central Council Tlingit and Haida Indian Tribes of Alaska is writing to you to express our request for the reauthorization of ANA. The Administration for Native Americans has been an excellent catalyst for small business development that has worked so well in our Southeastern Alaska communities. The socio-economic base has improved somewhat over the years but our economy is still primarily based on seasonal activity.

The Administration for Native Americans funding that we have received in the past enhanced management systems, improved policy level decision making, and demonstrated an increase in corporate profits in four of our target communities. Three Alaska Native village corporations were provided with training and technical assistance in the financial monitoring and control, roles and responsibilities for board members, new venture criteria and sources and costs of capital.

The benefits resulting from the ANA funding assisted 60 Native American people in job placement. The business development ventures that may occur in our communities are faced with a series of high costs, a series of potential obstacle due to high costs, limited population base, lack of connecting roads, and more recently the declining oil revenues. Our population base does not support the development of a large business enterprise in any of our rural isolated communities. Weather plays a dominate factor in our capabilities to realize stated goals no matter how we might aspire to reach them.

Your committee has tremendous impact on our target population. We recognize the need to weigh decisions regarding the budget. We feel that Native Americans have benefited from the Administration for Native Americans and would urge your committee's support regarding ANA.

Sincerely,

Evelyn E. Myers

Evelyn E. Myers
Executive Director

April 4, 1986

The Honorable Mark Andrews
Chairman
Senate Select Committee on Indian Affairs
838 Hart Senate Office Building
Washington, D.C. 20410

Dear Senator Andrews:

The Las Vegas Paiute Tribe wishes to take this opportunity to express its strongest support for the Administration for Native Americans program under the direction of Commissioner William Lynn Engles.

With the assistance of this program our Tribe has achieved measurable and quantifiable economic development. The various studies, analyses and program development activities which the program helped to fund have evolved into new businesses and a substantial reduction in the unemployment of our Tribe.

The Administration for Native Americans program by far represents the most intelligent approach to Indian Tribal self-sufficiency. The criteria now contained within the program grant process represents specific requirements that lead ultimately to the creation of true economic structures for Indian tribes. The reauthorization of this program is not only crucial but an imperative aspect in achieving self-sufficiency.

We commend the Committee and Commissioner Engles for their dedicated commitment toward the creation of stable economies for all Native Americans.

Sincerely,

Lawana Ramos
Chairman
Las Vegas Paiute Tribe

Number One Paiute Drive - Las Vegas, Nevada 89106 - (702) 386-3926

Tanana Chiefs Conference, Inc.
201 First Ave.
Fairbanks, Alaska 99701
(907) 452-8251

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1986 APR 29 AM 9 15

April 22, 1986

The Honorable Mark Andrews
724 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Andrews:

Native Alaskan and Native Americans face complex social and cultural barriers in developing full participation in the benefits and opportunities of the majority society.

The Administration for Native Americans (A.N.A.) is providing funding for enterprise development projects that might not otherwise be funded to achieve this participation.

Through the administration of their programs, A.N.A. has shown itself to be uniquely capable of meeting the needs of tribal capitalism.

For example:

When traditional systems of tribal ownership and sharing must be blended into a modern marketing mechanism, A.N.A. has provided assistance to establish a Renewable Resources Marketing Cooperative;

When rural subsistence lifestyle must be blended with the formation of a viable local industry, A.N.A. supports the development of village cottage industries which produce wildcrafted tea, herb, and berry products to market to the Natural Food Industry;

When Native Alaskan village corporations are faced with the problems of remoteness from markets, limited surface estate resources, and intensifying pressure to capitalize or fail, A.N.A. supports programs that provide research and development of cultivated botanical resources that may provide an industrial feedstock to a refined products industry from their surface estate.

It is clear to Tanana Chiefs Conference, Inc. and to the people of this region that A.N.A. is an agency with the vision that is capable of accomplishing its mandate, and with the competence to do so with minimal administrative costs; a rare combination among Native American programs!

Consequently, we respectfully urge Congress to reauthorize funding for the continued operation of this unique agency.

Sincerely,

TANANA CHIEFS CONFERENCE, INC.

William C. Williams

William C. "Spud" Williams
President